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9	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
10	COUNTY OF SAN JOAQUIN	
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13	COLUMN ALL TOP DICEPLOT AND	I and Core No. CV 026505
14	SOUTH YUBA WATER DISTRICT AND CORDUA IRRIGATION DISTRICT,	Lead Case No. CV 026505
224,000	Petitioners,	STATEMENT OF DECISION
15	v.	
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17 18	STATE WATER RESOURCES CONTROL BOARD, CALIFORNIA DEPARTMENT OF FISH AND GAME, et al.,	
19	Respondents,	
20	YUBA COUNTY WATER AGENCY, et al.	
21	Real Parties In Interest.	
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	Statement of Decision, Lead Case No. CV 026505	

Water District and Cordua Irrigation District and Plaintiff/Petitioner Brophy Irrigation

District.<sup>1</sup>

#### I. BACKGROUND

At issue in this litigation is Revised Water Right Decision 1644 (RD 1644). The State Water Resources Control Board (SWRCB) adopted original Decision 1644 (D 1644) on March 1, 2001. By its terms, D 1644 amended the Yuba County Water Agency's (YCWA) water right permits to require increased in-stream flows in the Lower Yuba River. D 1644 was challenged in Yuba County Superior Court and the court remanded the decision back to the SWRCB for reconsideration in light of new evidence. In compliance with the court order, SWRCB conducted further hearings on the matter and adopted RD 1644 on July 16, 2003. By adopting RD 1644, the SWRCB amended YCWA's water right permits. Generally speaking, the changes required increased cold water in-stream flows in the Lower Yuba River and upgrades in fish screening and protection.

#### A. Actions Filed

RD 1644 was challenged in five separate actions, originally filed in Yuba County. Those actions were consolidated and transferred to San Joaquin County in April 2005. Two of the five actions were voluntarily dismissed and the action filed by the citizens groups is not being pursued, leaving the following two actions as part of this case:

<sup>&</sup>lt;sup>1</sup> On December 15, 2011, the State Water Resources Control Board and the Department of Fish and Game filed separate requests for judicial notice of certain public documents. No party has objected to these requests for judicial notice and the requests are therefore granted. During the March 23, 2012 hearing in this matter, the Department of Fish and Game requested judicial notice of a February 29, 2012 National Marine Fisheries Service biological opinion regarding the U.S. Army Corp of Engineers' operation of Englebright and Daguerre Point dams, which the Court denied.

- 1) South Yuba Water District and Cordua Irrigation District v. State Water Resources Control Board (First Amended Petition for Writ of Mandamus); and
- 2) South Yuba Water District and Cordua Irrigation District v. State Water Resources Control Board and California Department of Fish and Game (First Amended Petition for Writ of Mandamus and Complaint for Declaratory and Injunctive Relief).

In addition to the actions brought against the SWRCB, Brophy Water District filed a First Amended Complaint for Declaratory Relief and Petition for Writ of Mandate against the California Department of Fish and Game (DFG), which is part of the consolidated proceedings.

### B. Stay of Proceedings

Soon after the transfer, the petitioners began settlement discussions with the DFG and the Department of Water Resources (DWR) and the U.S. Bureau of Reclamation (USBR). A stay of all proceedings was granted on March 13, 2006.

## C. Negotiation of Settlement

In April 2005, YCWA, several Yuba River water districts and agencies, DFG, DWR, and USBR, and four of the five environmental petitioners "approved principles for agreements for a proposed settlement regarding in-stream flow requirements and other issues related to diversion and use of water from the Lower Yuba River." This approval became known as the "Yuba Accord."

On April 27, 2007, YCWA submitted to the SWRCB a petition to modify its water right permits and a petition for long term transfer of water. The petitions were designed to amend RD 1644 and YCWA's water right permits to implement the Yuba Accord.

#### D. EIR of Yuba Accord

YCWA and the USBR prepared a joint environmental impact report (EIR) and environmental impact statement (EIS) on the Yuba Accord pursuant to the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA).

YCWA certified the final EIR/EIS on October 23, 2007. On October 26, 2007, and pursuant to Public Resources Code section 21152, subdivision (a), YCWA filed a Notice of Determination to approve the Yuba Accord with the State Office of Planning and Research.

No person or entity filed a CEQA challenge to the final EIR/EIS for the Yuba Accord.<sup>2</sup>

Notice of the petitions was given to the public and all interested parties – including all parties to this case.

#### E. Decision of the SWRCB

On March 18, 2008, the SWRCB adopted the Yuba Accord in-stream flow requirements (Order WR 2008-0014) and approved YCWA's petitions subject to specified terms and conditions. On March 21, 2008, the SWRCB filed a Notice of Determination of its approval of YCWA's petitions, subject to certain terms and conditions.

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<sup>27</sup> There is no dispute among the parties on this factual point. There was no EIR on RD 1644. The EIR was done on the Yuba Accord (WR 2008-0014 at p. 46.) The Yuba Accord used RD 1644 as the baseline for its EIR analysis.

#### F. Petitions for Reconsideration

YCWA and the Anglers Committee and the California Salmon and Steelhead Association each filed petitions for reconsideration of Order WR 2008-0014. The SWRCB considered and denied these petitions on May 20, 2008.

#### G. Proceedings Following Board Approval of Amendments

After its decision on May 20, 2008, the SWRCB met and conferred with all of the parties to these consolidated cases to determine the status of the pending actions in light of the SWRCB's adoption of Order WR 2008-0014. The SWRCB learned that three water districts – South Yuba Water District (SYWD), Cordua Irrigation District (CID), and Brophy Water District (Brophy) – intended to continue to prosecute their claims in two of the four actions.

On August 3, 2010, the SWRCB moved to terminate the stay and the motion was granted by the Court on September 9, 2010.

## 1. SYWD and CID Amended Petition for Writ of Mandate

The first Amended Petition for Writ of Mandate is strictly a CEQA challenge. Generally, the petition challenges the legality of the SWRCB's decision not to prepare an EIR for RD 1644, but rather to issue a Notice of Exemption relating to RD 1644.

# 2. SYWD and CID First Amended Petition for Writ of Mandate and Complaint

The First Amended Petition and Complaint encompasses a CEQA challenge and more. Primarily, and by their complaint, Petitioners maintain that for several reasons, the SWRCB had no authority to adopt and implement RD 1644. Petitioners also seek a writ challenging RD 1644 on the grounds that there is no substantial evidence to support its adoption. Secondarily, Petitioners assert another CEQA

challenge to RD 1644 via a writ; they challenge the baseline used in the EIR for WR 2008-0014 arguing that it was unstudied and so, the EIR is insufficient and/or defective.

#### II. DISCUSSION

It is an undisputed fact that there was no CEQA review prior to the SWRCB's adoption and implementation of RD 1644. It is also undisputed that: 1) Petitioners timely challenged RD 1644; 2) the in-stream flow requirements of RD 1644 were superseded by the Yuba Accord; and 3) there was no CEQA objection to the Yuba Accord.

At the heart of Petitioners' argument is the question of whether the SWRCB has authority to impose certain in-stream flow requirements upon YCWA and its Member Districts and further, whether it has the authority to require the Member Districts to spend their money/resources for new fish screens at certain diversion points.

### A. Are the CEQA Challenges to RD 1644 Moot or Time-Barred?

The resolution of this issue requires the Court to pinpoint what part of RD 1644 is at issue in these petitions and what part, if any, is not. A close review of the petitions and the Order in RD 1644 reveals that Petitioners challenge the provisions of RD 1644 regarding in-stream flow, flow fluctuations, water temperature and fish screens. The review further indicates that there are other substantive provisions of RD 1644 which have not been challenged.

The next question then is whether the adopted provisions of the Yuba Accord (WR 2008-0014) amended or superseded the challenged provisions of RD 1644 so as to render the challenges moot.

## 1. Are Any of the Challenges Moot?

Having compared the orders of RD 1644 and WR 2008-0014, the Court finds:

- 1. The in-stream flow requirements of RD 1644 have been completely superseded by WR 2008-0014;
- 2. The water temperature requirements of RD 1644 remain intact and have been supplemented by WR 2008-0014;
- 3. The flow fluctuation requirements of RD 1644 remain intact; and
- 4. The fish screen requirements of RD 1644 remain intact.

Thus, the only aspect of RD 1644 that can be considered moot is the in-stream flow requirements. The remaining challenged provisions are intact.

Accordingly, the CEQA challenge to RD 1644 is not moot, except insofar as it concerns the in-stream flow requirements.

### 2. Are Any of the Challenges Time-Barred?

The SWRCB submits that "the in-stream flow requirements currently in effect were adopted by the Board in 2008, [and so,] to the extent Petitioners object to the environmental analysis for the operative in-stream flows in the lower Yuba River, [Petitioners] were obliged to challenge the CEQA compliance for these revised flows within the 30-day statute of limitations." (Opposition, page 12:18-12; see also Public Resources Code, section 21167.) Petitioners did not. (WR 2008-0014 at p. 46.)

Petitioners did not address the statute of limitations argument head-on but rather urged that if RD 1644 is vacated to allow for environmental review, then WR 2008-0014 is undermined since its EIR is based upon unstudied provisions of RD 1644 which will no longer be in effect.

The argument raises the question of whether Petitioners were required to renew their challenge to RD 1644 when WR 2008-0014 was being considered.

Moreover, as argued by the SWRCB, Public Resources Code section 21167.2 provides that if no action challenging a final EIR is timely filed, the EIR "shall be conclusively presumed to comply with CEQA "for purpose for its use by responsible agencies." In the context of this case, Public Resources Code section 21167.2 precludes

Petitioners from making its baseline challenge. The baseline used in the EIR for WR 2008-0014 is conclusively presumed to comply with CEQA. *Woodward Park Homeowners Assn. v. Garreks* (2000) 77 Cal.App.4th 880 is not helpful to Petitioners.

### B. Was RD 1644 Exempt from CEQA?

The SWRCB primarily urges that the "on-going project" exemption applies to excuse the preparation of an EIR prior to its adoption of RD 1644. (See Cal.Code Regs. tit. 14, § 15261.) Section 15261 reads, in pertinent part:

(a) If a project being carried out by a public agency was approved prior to November 23, 1970, the project shall be exempt from CEQA unless either of the following conditions exists:

A substantial portion of public funds allocated for the project have not been spent, and it is still feasible to modify the project to mitigate potentially adverse environmental effects, or to choose feasible alternatives to the project, including the alternative of "no project" or halting the project; provided that a project subject to the National Environmental Policy Act (NEPA) shall be exempt from CEQA as an on-going project if, under regulations promulgated under NEPA, the project be too far advanced as of January 1, 1970, to require preparation of an EIS.

(2) A public agency proposes to modify the project in such a way that the project might have a new significant effect on the environment.

The SWRCB in filing its Notice of Exemption (NOE), explained:

Water rights were issued to YCWA [by the SWRCB] in 1966, and construction of New Bullard's Bar Reservoir was completed in April 1970. The flows and water temperatures present on the lower Yuba River since the construction of New Bullard's Bar Reservoir are dependent primarily upon hydrologic conditions and annual operational decisions based on meeting competing project objectives, including fishery needs. Fishery enhancement was one of the original project objectives, and the flow requirements specified in Revised Decision 1644 are well within the historic range of what has existed on the lower Yuba River since 1970.)

(Administrative Record (AR), Disk 6, 03COR0209.)

In further support of the exemption, the SWRCB cites *Nacimiento Regional Water Mgmt. Advisory Com. v. Monterey Co. Water Resources Agency* (1993) 15 Cal.App.4th 200.

Petitioners, on the other hand, urge that the critical inquiry in determining whether a statutory exemption applies is whether the activity is a continuation of the status quo, or whether the activity constitutes a modification to the project such that new environmental impacts may arise. In support of the Petitioners' argument that RD 1644 "reflects a dramatic departure from historical operations and the pre-project status quo," Petitioners cite to *County of Amador v. El Dorado County Water Agency* (1996) 76 Cal.App.4th 931.

## 1. Discussion - Nacimiento Regional Water Management

In Nacimiento Regional Water Management Advisory Committee v. Monterey County Water Resources Agency (1993) 15 Cal.App.4th 200, the water agency built a dam many years prior to CEQA. The application to build the dam provided for the storage and annual release of water for various uses. The Agency had not conducted an "environmental review" for the construction or operation of the reservoir, or for the annual release schedules either before or after November 23, 1970, the effective date of CEQA. At issue was the 1991 annual release schedule. The Agency's 1991 release schedule allowed for releases that dropped the water elevation of the reservoir to 689 feet. The petitioners asserted, and the trial court agreed, that the release schedule "would negatively impact environmental concerns." Still, the trial court held that the annual 1991 release schedule was exempt from environmental review because it is part of an on-going project; that is, the operation of the reservoir.

The Court of Appeal affirmed, explaining:

[T]he 1991 release schedule is a normal, intrinsic part of the ongoing operations of the reservoir project which does not constitute any modification thereof,...

Whether an activity requires environmental review depends upon whether it expands or enlarges project facilities or whether it merely monitors and adjusts the operation of existing facilities to meet fluctuating conditions.

(Nacimiento, supra, 15 Cal.App.4th at pp. 203-205.)

The Court of Appeal relied upon *Upper Snake River v. Hodel* (9th Cir. 1990) 921 F.2d 232, wherein the 9th Circuit concluded that periodically adjusting the flow of water from a dam and reservoir does not require environmental review because it does not constitute an expansion or revision of the reservoir project. (*Nacimiento, supra,* 15 Cal.App.4th at p. 206, *quoting Upper Snake River, supra,* 921 F.2d at p. 234 ["The trial court ruled that the extent of injury to the fish population was immaterial to the determination of whether an EIS was required because'...the fluctuation flows are routine actions which are contingent upon Mother Nature for snow-pack, runoff, precipitation, and carryover."]

The Court of Appeal continued,

As in the instant case, "[t]he Bureau [of Reclamation in *Upper Snake, supra*,] has neither enlarged its capacity to divert water...nor revised its procedure or standards for releases... and the drawdown of reservoirs. It is simply operating the Division within the range originally available pursuant to the authorizing statute, in response to changing environmental conditions."...

...[T]he release schedule is...exempt from CEQA...

(Nacimiento, supra, 15 Cal.App.4th at pp. 207-209.)

## 2. <u>Discussion - County of Amador v. El Dorado County Water Agency</u>

To contrast, the Court looks to *County of Amador v. El Dorado County Water*Agency (1996) 76 Cal.App.4th 931, a case in which DFG, the County of Amador, and a coalition of concerned citizens sued the county water agency and irrigation districts asserting that an EIR was necessary for the agency/district's purchase and proposed use

of an existing water project. For purposes of this decision, here are the relevant facts. The water agency and irrigation district "embarked on an ambitious project to provide water to a burgeoning population." (*Id.* at p. 940.) Part of the project involved the purchase from PG&E of "Project 184," a hydroelectric project. Significantly, "[i]n addition to gaining ownership of this project, defendants also sought to shift the focus of Project 184 to provide not only hydroelectric power, but consumptive water supplies as well." (*Ibid.*) The defendants concluded that the project was exempt from CEQA review asserting, *inter alia*, the ongoing project exemption.

The County of Amador Court concluded that the exemption was not applicable and explained that:

Because of the remarkable change in proposed operation from nonconsumptive to consumptive use, this exemption is in applicable... [T]he Irrigation District sought to expand the project to include consumptive water use, significantly changing the focus of Project 184 to the extent that it cannot be termed an "ongoing project"

(County of Amador, supra, 76 Cal.App.4th at p. 969.)

## 3. Discussion - Application to Instant Case

Generally speaking, RD 1644 amended YCWA's water right permits to require increased cold water in-stream flows in the lower Yuba River. Petitioners claim that the purpose and effect of RD 1644 is "to create an artificial type of fish hatchery using stored water [from Bullards Bar Dam] to create high volume and cold flows in a valley level portion of the Yuba River where warm air temperatures prevent those natural conditions, and the increased flows are to mitigate for the claimed blocking by dams of fish access to the upper Yuba River" where the salmon and steelhead would otherwise swim and spawn.

The first question, then, is whether fishery enhancement was one of the original project objectives and whether flow requirements, generally, were contemplated as a means to achieve "fishery enhancement." The SWRCB presented evidence from the administrative record of RD 1644 that confirms that fishery mitigation and enhancement was, in fact, an objective of the Yuba River Development Project.

In addition, no party challenged the SWRCB's position that "the flow requirements specified in RD 1644 are well within the historic range of what has existed on the lower Yuba River" since reservoir construction was completed in 1970.

Thus, the Court finds that the "on-going project" exemption applies and RD 1644 is, therefore, exempt from CEQA.

Accordingly, the SYWD and CID First Amended Petition and the CEQA claims set forth in the SYWD and CID First Amended Petition and Complaint are hereby denied.

The remaining discussion relates to the First Amended Complaint and Petitioners' arguments that the SWRCB does not have the authority to impose certain instream flow requirements upon YCWA and its Member Districts and further, the SWRCB does not have the authority to require the Member Districts to spend their money/resources on new fish screens at certain diversion points.

## C. Procedural Deficiencies in the Hearings/Decision to Adopt RD 1644

The SWRCB asserts that Petitioners – as "subordinate political entities" to the State – lack standing to bring a challenge on due process grounds. The SWRCB explains that the "constitutional rights [of due process] are intended to limit governmental action *vis-à-vis* individual citizens." (*Star-Kist Foods, Inc. v. County of Los Angeles* (1986) 42 Cal.3d 1, 8; see also, *Board of Supervisors v. McMahon* (1990)

219 Cal.App.3d 286, 296 ["Subordinate political entities, as 'creatures' of the state, may not challenge state action as violating the entities' rights under the due process or equal protection clauses of the Fourteenth Amendment..."]; Santa Monica Community College District v. Public Employment Relations Board (1980) 112 Cal.App.3d 684, 690 ["District does not assert a violation of constitutional guarantees of due process. The reason for this omission is undoubtedly the long line of cases which hold that a public entity, being a creature of the state, is not a 'person' within the meaning of the due process clause, and is not entitled to due process from the state."]

Petitioners maintain that they do have standing because they are asserting the due process violations on behalf of their member landowners. Petitioners cite *Central Delta Water Agency v. State Water Resources Control Board* (1993) 17 Cal.App.4th 621, 629-630 in support:

Where a water district or agency is expressly authorized under its enabling statute to sue on behalf of its constituent water users, it may do so even without naming any of those users as party plaintiffs. (Code Civ. Proc., § 368, subd. (a)(4); Orange County Water District v. City of Riverside (1959) 173 Cal.App.2d 137, 167-170 [343 P.2d 450].)

Moreover, a political subdivision of the state may challenge the constitutionality of a statute or regulation on behalf of its constituents where the constituents' rights under the challenged provision are "inextricably bound up with" the duties under its enabling statutes. (See *Selinger v. City Council* (1989) 216 Cal.App.3d 259, 271; see generally *Singleton v. Wulff* (1976) 428 U.S. 106, 114-116) Under the statutes cited by the agencies, it is clear that the agencies' duties are bound up with a determination whether the challenged provisions violate the rights of the agencies' constituent water users.

The Court notes that the first exception does not apply because the "landowner assistance" language is not present in Petitioners' enabling statutes. As to the second exception, Petitioners are not challenging a statute or regulation but rather, an administrative proceeding. Accordingly, the Court finds that Petitioners have no standing to challenge the constitutionality of the SWRCB proceedings in which it adopted RD 1644.

Because the court finds that petitioners lack standing to bring their due process claims, the court declines to rule on the merits of petitioners' due process claims.

## D. Does RD 1644 Violate Petitioners' Contractual Rights to Water?

Petitioners hold water supply contracts with the YCWA for the purpose of receiving surface water from the winter storage of New Bullard's Bar Reservoir.

According to the Petitioners, the mandated in-stream flow restrictions of RD 1644 reduce the amount of storage water available to them and therefore constitutes an unconstitutional taking of property without due process or just compensation as well as an unconstitutional impairment of a contract. (U.S. Const., art. I, § 10; Cal. Const. art. I, § 9; see *United States v. SWRCB* (1986) 182 Cal.App.3d 82, 146-148.)

Preliminarily, water rights are not like real property rights, and by their very nature are "limited and uncertain." (See *United States v. SWRCB, supra,* 182 Cal.App.3d at p. 104, and *National Audubon Society v. Superior Court* (1983) 33 Cal.3d 419, 445-448.) "[N]o water rights are inviolable; all water rights are subject to governmental regulation" and "no one has a vested right to use water in a manner harmful to the state's waters." (*United States v. SWRCB, supra,* 182 Cal.App.3d at p. 106.) "Holders of water service contracts are subject to all of the limitations that apply to holders of water rights, including public trust and reasonable use limitations." (See

SWRCB Cases, supra, 136 Cal.App.4th at p. 806, fn. 54; see also United States v. SWRCB, supra, 182 Cal.App.3d at pp. 146-148.) Accordingly, Petitioners' water contracts are derivative of the YCWA water right permits and all of their terms and conditions. The YCWA permits are expressly subject to the public trust doctrine and reasonable use doctrine and, as a matter of law, the SWRCB has the authority to reconsider original permit terms and conditions.

Accordingly, Petitioners do not have a reasonable expectation that a certain or guaranteed amount of water will be delivered to them and so, Petitioners cannot show an unconstitutional "taking" or impairment of contract. (*United States v. SWRCB, supra.* 182 Cal.App.3d at p. 147.)

Moreover, the in-stream flow requirements of RD 1644 have been completely superseded, and so this challenge is moot.

## E. Does RD 1644 Violate Cal. Code Reg., Tit. 23, § 784?

California Code of Regulations, title 23, section 784, subdivision (a) provides that:

(a) In exercising its discretionary authority respecting applications to appropriate water, including prescribing or modifying permit terms and conditions, the [SWRC] Board may require releases of water diverted and stored whenever such releases are determined by the Board to be in the public interest or are needed to protect public trust uses of water, if such requirement is reasonable...

California Code of Regulations, title 23, section 784, subdivision (b) provides:

Notwithstanding subsection (a) of this section, after a permit has been issued and construction has commenced or substantial financial commitment for construction has been undertaken by the permittee, the Board will not require a release or bypass of water authorized to be appropriated by such permit unless the permittee agrees to such bypass or release or unless the Board at the time the permit was issued expressly reserved jurisdiction to require such bypass or release. This subsection shall not apply to the continuing authority of the

Board to regulate appropriations of water so as to conform with Section 780 of this subchapter.<sup>3</sup>

Petitioners contend that the SWRCB did not reserve to itself the authority to modify the terms and conditions of the YCWA permits. Thus, Petitioners characterize the in-stream flow requirements as "beyond the authority of the SWRCB or an unconstitutional deprivation of property, or impairment of contract." (Opening Brief, page 31:22-23.) "This is a subject for condemnation…not acquisition by regulation." (Opening Brief, page 32:18-19.)

The SWRCB did, in fact, reserve to itself the authority to modify the terms and conditions of the permits and more particularly, to do so under the public trust doctrine and the reasonable use doctrine. As the SWRCB argues "petitioners have been on notice for over 23 years that the Board may require the release of stored water for public trust purposes." (Opposition, pages 31-32: AR, Disk 3, COR0506, 0514-0515 Disk 5: REX1058, 1065-1066, 1069, 1077.) Accordingly, California Code of Regulations, title 23, sections 780 and 784 have not been violated and allow for the in-stream flow requirement.

Moreover, the term and condition of which Petitioners are complaining is the in-stream flow requirement. As discussed above, the in-stream flow requirements of RD 1644 are most and so, this challenge is also most.

## F. Does RD 1644 Exceed the Public Trust Doctrine?

Petitioners argue that the Public Trust Doctrine is meant to protect the *natural* state of the environment. In support of the argument, Petitioners cite to and rely upon *National Audubon Society v. Superior Court, supra,* 33 Cal.3d 419. Petitioners maintain

<sup>&</sup>lt;sup>3</sup> Section 780 does not apply because there is not issue of waste or an unreasonable use of water.

that RD 1644 creates an artificial environment by sending more waters and colder waters to a valley-level stretch of the Yuba River so that salmon and steelhead, fish that would otherwise not be able to survive in that stretch, can swim and spawn. Petitioners assert that the SWRCB is using the Public Trust Doctrine to "create a new project using the water and facilities owned by Yuba County residents,... without due process and compensation. ...[T]he doctrine may not be used to justify depriving the Agency and its Member Units of water or the use of facilities to store water to which they are entitled." Opening Brief, page 33:15-21. Petitioners further argue that "man-created reservoirs and water supplies are not subject to the Public Trust Doctrine." (Golden Feather Community Assn. v. Thermalito Irrigation District (1989) 209 Cal.App.3d 1276, 1285.)

Once again, at the center of this argument is the concept that the SWRCB is "taking" Petitioners' water since it is the "taking" that will create the new fish habitat. As discuss above, the "taking" argument is based upon the in-stream flow requirements of RD 1644. Those in-stream flow requirements, however, are moot because they were superseded by the in-stream flow requirements of WR 2008-0014. Accordingly, Petitioners' argument that RD 1644 exceeded the Public Trust Doctrine is moot. The complaint does not challenge WR 2008-0014.

Even if the argument were not moot, it fails because the Public Trust Doctrine protects *all* fishery resources in *all* waters of the state wherever they may be found and regardless of how they got there. Fish and Game Code, section 5937 is a statutory codification of the Public Trust Doctrine and it protects all fishery resources located downstream of a dam, even those "planted" there. (*California Trout, Inc. v. SWRCB* (1989) 207 Cal.App.3d 585, 630; see also *People v. Truckee Lumber Co.* (1897) 116 Cal. 397, 399-401.)

National Audubon Society v. Superior Court, supra, is a case in which the Supreme Court explained that "traditionally, [the public trust doctrine is] defined in terms of navigation, commerce and fisheries." (33 Cal.3d at p. 434.) Thus, the Supreme Court expressly recognized that fisheries are a public value and worthy of public stewardship. In other words, the establishment of a fishery is certainly within the scope of the public trust doctrine.

In National Audubon Society, the Supreme Court also recognized the tension between the public trust doctrine and the appropriative water rights system in California. The Supreme Court concluded that both systems needed to be considered and worked together:

In our opinion, both the public trust doctrine and the water rights system embody important precepts which make the law more responsive to the diverse needs and interests involved in the planning and allocation of water resources. ...[W]e reach the following conclusions:

The state as sovereign retains continuing supervisory control over its navigable waters and the lands beneath those waters. This principle, fundamental to the concept of the public trust, applies to rights in flowing waters as well as to rights in tidelands and lakeshores; it prevents any party from acquiring a vested right to appropriate water in a manner harmful to the interests protected by the public trust.

As a matter of current and historical necessity, the Legislature, acting directly or through an authorized agency such as the Water Board, has the power to grant usufructuary licenses that will permit an appropriator to take water from flowing streams and use that water in a distant part of the state, even though this taking does not promote, and may unavoidably harm, the trust uses at the source stream. The population and economy of this state depend upon the appropriation of vast quantities of water for uses unrelated to in-stream trust values. California's Constitution, its statutes, decisions, and commentators all emphasize the need to make efficient use of California's limited water resources: all recognize, at least implicitly, that efficient use requires diverting water from in-stream uses, ...

The state has an affirmative duty to take the public trust into account in the planning and allocation of water resources, and to protect public trust uses whenever feasible. Just as the history of this state shows that appropriation may be necessary for efficient use of water despite unavoidable harm to public trust values, it demonstrates that an appropriative water rights system administered without consideration of the public trust may cause unnecessary and unjustified harm to trust interests.

Once the state has approved an appropriation, the public trust imposes a duty of continuing supervision over the taking and use of appropriated water. ...

(National Audubon Socy, supra, 33 Cal.3d at pp. 445-447.)

The Supreme Court recognized, "[T]he function of the Water Board has steadily evolved from the narrow role of deciding priorities between competing appropriators to the charge of comprehensive planning and allocation of waters. This change necessarily affects the board's responsibility with respect to the public trust. The board of limited powers of 1913 had neither the power nor the duty to consider interests protected by the public trust; the present board, in undertaking planning and allocation of water resources, is required by statute to take those interests into account." (National Audubon Socy, supra, 33 Cal.3d at p. 444.)

In Golden Feather Community Association v. Thermalito Irrigation District (1989) 209 Cal.App.3d 1276, the Third District Court of Appeal expressed its opinion on the public trust doctrine. It explained:

In general, the public trust doctrine posits that the 'sovereign owns all of its navigable waterways and the lands lying beneath them 'as trustee of a public trust for the benefit of the people.'... The People of California did not surrender their right to common usage of navigable waters to the state; the state holds land in its sovereign capacity in trust for the public purposes of navigation and *fishery*, and a public easement and servitude exists for these purposes. Any conveyance of trust property to a private individual is necessarily subject to the public trust and the state remains trustee with the duty to supervise the trust...

...In the final analysis the public trust doctrine cannot be divorced from the particular circumstances involved. In short, the circumstances which will warrant application of the term "public trust" and the consequences of characterizing an interest of the state as a trust interest are not uniform. Where it is necessary to protect public trust interests the state may have power over properties which are not themselves within the public trust, but this does not mean that such properties are deemed to be added to the public trust, nor that all incidents of the public trust are applicable to such properties. In all cases, the application of the public trust doctrine depends upon the interest for which protection is sought and the manner in which that interest is to be protected. Decisional authorities have, thus far at least, consistently limited application of the public trust doctrine to circumstances where the interest to be protected is a traditional public trust interest. Where such an interest is involved the courts have held that the state has broad powers to protect those interests, even where

otherwise nonpublic trust properties are affected.

(Id. at 1283-1286, emphasis added.)

Fisheries are a traditional public trust interest. RD 1644 sought to protect fish and fishing by increasing in-stream flows to the lower Yuba River to compensate for their loss of habitat in the upper Yuba River. *Golden Feather* explains that the state has "broad powers" to protect those interests. (*Golden Feather*, *supra*, 209 Cal.App.3d. at p. 1286.)

The cases cited by Petitioners and YCWA are cases in which the public interest is in the waterway and the waters. The concern in those cases was the natural state of the waterway. The public interest in this case differs significantly. *The public concern is not the river; it is the fish.* 

In adopting RD 1644, the SWRCB balanced its responsibility to be the public trustee for fish with its water appropriation powers through the exercise of its reserved jurisdiction over the water permits it issued. YCWA seems to suggest that SWRCB cannot require one entity to mitigate the impacts caused by another entity. Significantly, it cites to no law or case in support of the statement. The cases above do not suggest such a limited application. Instead, the SWRCB is the steward for all water, all fish.

Accordingly, the SWRCB did not exceed its authority under the Public Trust Doctrine when it adopted RD 1644.

## G. Does RD 1644 Violate Fish and Game Code, Section 5937?

Section 5937 of the Fish and Game Code reads:

The owner of any dam shall allow sufficient water at all times to pass through a fishway, or in the absence of a fishway, allow sufficient water to pass over, around or through the dam, to keep in good condition any fish that may be planted or exist below the dam. During the minimum flow of water in any river or stream, permission may be granted by the department to the owner of any dam to allow sufficient water to pass through a culvert, waste gate, or over or

around the dam, to keep in good condition any fish that may be planted or exist below the dam, when, in the judgment of the department, it is impracticable or detrimental to the owner to pass the water through the fishway.

Fish and Game Code, section 5937 is said to be a statutory codification of the Public Trust Doctrine. (SWRCB Opposition, page 32:10-11.) Consistent with that position, the parties make the same arguments for this issue as they made with regard to the Public Trust Doctrine, above. Accordingly, this challenge is most for the same reasons stated above in the Public Trust Doctrine discussion.

Moreover, the Court does not read Fish and Game Code section 5937 to require a "natural" condition; it specifically refers to "planted" fish. The statute is meant to ensure that sufficient water is released for the health of the fish. Petitioners read the phrase "pass through" much too narrowly. The phrase does not negate the dam owner's ability to "release" "stored water." Whether a natural flow or a released flow, all the statute requires is that a sufficient amount "pass through" for the survival and health of any fish below the dam.

## H. <u>Do the Fish Screen Provisions of RD 1644 Violate Fish and Game Code</u>, <u>Section 5989?</u>

At the heart of this challenge are the following documents: 1) Fish and Game Code, section 5989; 2) the SYWD-DFG 1984 Contract; 3) the Brophy-DFG 1984 contract: and 4) the Superior Court judgment affirming the SYWD-DFG 1984 contract and the Brophy-DFG 1984 Contract.

Fish and Game Code, section 5989 reads:

After acceptance, should the screen fail to function in an efficient manner, no changes in conditions affecting its operation having occurred subsequent to the acceptance of the screen, the owner shall not be required to install a new screen. However, the *department may install another screen at the sole cost and expense of the department* of a type, size, mesh, and at a location agreed upon by the department and the owner, or approved by the Department of Water Resources,

The 1984 SYWD-DFG Contract and the 1984 Brophy-DFG Contract (hereinafter collectively referred to as the 1984 DFG contracts) described the design, location and performance criteria that would apply to the permeable rock levee fish protection devices to be constructed by the respective water districts in 1985. In pertinent part, the agreements read:

2. If the installation meets the criteria during normal operations for three irrigation seasons, the *District's sole obligation thereafter shall be to reasonably operate and maintain the rock protection alternative*. (Emphasis added.)

Paragraph 4 of the Yuba County Superior Court's Stipulated Judgment reads, in pertinent part:

The aforesaid respective projects of Brophy Water District and of the South Yuba Water District for the diversion and withdrawal of water from the Yuba Goldfields and the Yuba River, including the facilities referred to as the river diversion facilities and the delivery of such waters to the District's respective service areas, when constructed substantially in accordance with the project description above set forth or referred to including the standards and the mitigation measures therein described will adequately mitigate (a) any adverse fish life impacts on downstream migrant salmonids and steelhead in the Yuba River that might result from such river diversion facilities, ... (Emphasis added.)

Petitioners submit that no deficiency notice was ever sent to them regarding the rock levee fish screens. Opening Brief, page 40:26-28. Pointing to the statute and the contracts, Petitioners maintain that ANY change or upgrade to the existing fish screens is the sole responsibility of DFG. Petitioners urge that the SWRCB has no authority to ignore the statute or the contracts.

## 1. No SYWD or CID Claim Against DFG, only SWRCB

DFG responded to the Petitioners' fish screen arguments. The SWRCB joined in DFG's responses. (SWRCB Opposition at 39, n.34.)

DFG argued that there is no claim against it except by Brophy; rather, that the claims are against the SWRCB.<sup>4</sup> DFG further submits that the 1984 Contracts and the Stipulated Judgment have no relevance in this action because the SWRCB is not a party to the contract.

DFG's argument, however, ignores the provisions of the 1984 Contracts which explain that the agreements are being made by "the STATE OF CALIFORNIA, acting by and through the Department of Fish and Game." (See page 1 of the 1984 contracts; AR, Disk 1, 92EX3102.) The Stipulated Judgment is signed by the "STATE OF CALIFORNIA," (See page 5 of the Stipulated Judgment; AR, Disk 1 92EX3110.) Thus, the State of California and its agencies are bound by the terms of the contracts and judgment.

#### 2. Acceptance of Fish Screens

DFG argues that Fish and Game Code section 5989 does not apply to

Petitioners' screens because the screens were never accepted by DFG. This argument
lacks merit.

By virtue of the 1984 DFG Contracts and the Stipulated Judgment, the State of California, through DFG, expressly accepted the design, location and performance criteria of the permeable rock levee fish protection devices as adequate for the purpose of fish protection in the diversion of water. Thus, the focus of DFG's argument is necessarily post-construction. DFG submits that letters were sent to SYWD to advise it of the ineffectiveness of the south screen.

Significantly, the letters upon which DFG relies for its argument do not "advise" SYWD of anything. The letters, instead, merely summarize studies that were

<sup>&</sup>lt;sup>4</sup> In fact, SYWD and CID did bring a declaratory relief cause of action against DFG. See First Amended Petition and Complaint, page 34:12-15.

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conducted and the results of the tests. There is no statement by DFG that the screens were ineffective.

Accordingly, the Court finds that the State of California, through DFG, has accepted the fish screens within the meaning of the statute.

### 3. Change in Conditions

DFG submits that Fish and Game Code, section 5989 only applies if there was no change in conditions affecting the fish screen's operation since acceptance. The change – DFG submits – is the listing of the spring-run Chinook salmon as a threatened species under state and federal Endangered Species Acts and the listing of steelhead on the federal threatened species list. DFG contends that "[t]he addition of these species to the threatened species list significantly changes what is necessary to protect the species on the river." (DFG Opposition, page 16:12-14.)

In order for Fish and Game Code, section 5989 to apply, the change in conditions must affect the screen's operation. The addition of the Chinook salmon and steelhead to an endangered list does not constitute such a change.

#### 4. Contract Term

Nowhere in the 1984 DFG Contracts or in the Stipulated Judgment is there an express obligation or promise on the part of DFG or the State of California to pay for new fish screens. The only express reference or authority for having DFG pay for new screens is set forth in Fish and Game Code section 5989.

## 5. Reconciling RD 1644 and Fish and Game Code Section 5989

RD 1644 has many components to it and among other things, RD 1644 requires:

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[Petitioners to] develop plans to reduce fish losses resulting from diversion of water into the canals. The plan shall identify proposed sources of funding. ... In order to continue diversion of water..., the plans to reduce fish losses... shall be provided to the Chief of the Division of Water Rights [who] shall review the adequacy of the plans for the protection of fish and the schedule for implementing the proposed actions.

(RD 1644 at pp. 180-181, AR, Disk 6, 03COR0471-0472, emphasis added.)

RD 1644 does not mandate that new or improved fish screens be installed. RD 1644 does not require Petitioners to pay for new screens. In the event that new or improved fish screens are required as part of the plan to reduce fish losses, Petitioners would likely cite to Fish and Game code section 5989 as a source for funding for those screens. Given the arguments here, it seems likely that DFG will challenge any obligation on its part to pay for new or improved screens. Be that as it may, at this stage of the proceedings, the parties are not at that juncture. Accordingly, Petitioners' challenge and/or request for relief is premature.

# I. Are the SWRCB's Findings and Decision Regarding the Fish Screen Requirements of RD 1644 Supported by Substantial Evidence?

Petitioners' final argument challenges SWRCB's decision to adopt/implement the fish screen requirements of RD 1644. Petitioners submit that there is no evidence that the current fish protections in place are not adequate and in fact, the evidence is to the effect that the existing fish screens are working and that the salmon and steelhead populations are thriving.

As DFG points out, "[t]he relevant question is not whether there is evidence in the record to support Petitioners' position, but whether there is substantial evidence in the record to support the State Water Board's findings and decisions. (*Paoli v. Calif. Coastal Comn.* (1986) 178 Cal.App.3d 544, 550.) ...[A] court 'may reverse an agency's decision only if, based on the evidence before the agency, a reasonable person could not

#### CONCLUSION

Defendants/Respondents SWRCB and DFG are prevailing parties. Consistent with this Statement of Decision, judgment shall be entered denying/dismissing SYWD and CID's claims against the SWRCB and DFG and denying/dismissing Brophy's claims against DFG.

Date: 10-19-12

LESLEY D. HOLLAND

Judge of the Superior Court of the California

## SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN JOAQUIN

Stockton 222 E Weber AVENUE Stockton, CA 95202

SHORT TITLE: Yuba County Water Agency VS State Water Resources Control Board et al.

## CLERK'S CERTIFICATE OF SERVICE BY MAIL

CASE NUMBER: CV026505

I certify that I am not a party to this cause. I certify that a true copy of Statement of Decision from hearing on 3/23/12 was mailed following standard court practices in a sealed envelope with postage fully prepaid, addressed as indicated below. The mailing and this certification occurred at Stockton, California, on 10/19/2012.

Clerk of the Court, by:

, Deputy

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