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Comments of the Pala Band of Mission Indians on the Orange Grove Energy L.P.'s Response to Data Requests 1, 2, and 3

Additional submitted attachment is included below.



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October 7, 2014

California Energy Commission Dockets Unit, MS-4 Docket No. 08-AFC-4C 1615 9th Street Sacramento, California 95814-5512

> Re: Comments of the Pala Band of Mission Indians on the Orange Grove Energy L.P.'s Response to Data Requests 1, 2, and 3 -- Petition for Post-Certification Amendment to Address Water Truck Complaints (No. 08-AFC-4C)

To Whom It May Concern:

These comments are provided on behalf of our client, the Pala Band of Mission Indians ("Pala Band") to address the responses of the Orange Grove Energy L.P. ("OGE") to Data Requests 1, 2, and 3 ("Response") from the California Energy Commission ("CEC"). The Pala Band previously filed comments dated August 19, 2014, on OGE's Petition to Amend ("Petition") the CEC's Certification for the Orange Grove Power Plant ("OGPP" or "Project").¹ That Petition seeks CEC approval for OGE to change the source of water for the Project from potable and recycled water trucked from the Fallbrook Public Utility District to groundwater to be pumped from a well owned by the San Diego Gas and Electric Company ("SDG&E") but located on property owned by the Pala Band. The Pala Band's property is located generally south of the property where the OGPP is located ("OGPP Property") across State Route 76 ("SR 76").

Given the timing of the CEC's data requests, it appears that they raised by the CEC in response to the Pala Band's initial comments. Those comments showed that (1) neither OGE nor SDG&E have water rights that would allow OGE to use water from the

¹ On October 1, 2014, the Pala Band resubmitted its August 19, 2014, comments because certain exhibits had been submitted in black and white rather than in color.



SDG&E well on the OGPP Property and (2) the 1998 easement between SDG&E and Fenton ("Easement"), the previous owner of the Pala Band's property, does not allow SDG&E or OGE to relocate or improve the well or the pipeline or use water from the well for industrial purposes without the prior consent of the Pala Band. The Pala Band's comments in this letter do not repeat in detail the comments it made previously, but they do identify the lack of information and the misleading or mischaracterized information provided by OGE in its Response.

I. OGE'S RESPONSE TO THE FIRST DATA REQUEST FAILS TO PROVIDE ANY ADDITIONAL INFORMATION SHOWING THAT OGE HAS THE RIGHT TO USE GROUNDWATER PUMPED FROM THE SDG&E WELL ON THE OGPP PROPERTY

Data Request 1 referred to the Easement, which was included in the Petition and addressed in detail in the Pala Band's comments. The Data Request then asked OGE to provide a copy of the "water rights permit, contract, or other similar documentation showing that SDG&E can sell or transfer the water and/or the water rights, how much water SDG&E can pump, and OGPP is legally entitled to use of this water source."

But, OGE's Response does not provide a contract or any other document showing that SDG&E has agreed to sell water to OGE or any information at all on the arrangements between OGE and SDG&E concerning the well, the pipeline, and OGE's use of the water. Any such agreement(s) should be provided for review.

Instead, the Response provides a conclusory discussion of water rights and OGE's claimed right to legally use water from the SDG&E well. That discussion ignores critical issues raised by the Pala Band in its comments, and fails to provide the information needed to show that SDG&E or OGE have the right to use water from the SDG&E well on the OGPP Property.

The Response notes and there is no dispute that State Water Resources Control Board Decision 1645 concluded that groundwater within the Pala Basin is flowing in a "subterranean stream" and is not considered "percolating" groundwater. But, that broad determination does not mean that all land along and on every side of the San Luis Rey River by definition abuts the subterranean stream as is required for such a property to be considered riparian to the stream. That, however, appears to be the position that OGE takes when it claims, without any evidentiary support, that the "SDG&E land parcel containing Orange Grove Power Plant site overlays this subterranean stream" and thus that the "Orange Grove Power Plant site has a riparian water right to water within the San Luis Rey River."

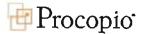


What the Response avoids addressing is the physical information regarding the OGPP site and its relationship to the subterranean stream that was provided in the Pala Band's comments. The figures and maps provided by the Pala Band with those comments all were taken from reports prepared by or for OGE. Those exhibits, provided with this letter for the CEC's convenience, show as follows:

- Exhibit A, which was Exhibit K to the Pala Band's comments and Figure 6.5-4 from OGE's original application for certification, shows that the OGPP Property is not within the 100-year flood zone and thus that the OGPP Property does not abut the surface stream;
- Exhibit B, which was Exhibit L to the Pala Band's comments and Figure 6.5-5 of OGE's original application for certification, is a hydrologic cross-section of the area and shows that the water-bearing alluvium which constitutes the subterranean stream is located entirely on the south side of SR 76 and does not touch the OGPP Property which is entirely on the north side of SR 76; and
- Exhibit C, which was Exhibit M to the Pala Band's comments, is a "Test Well" report prepared by TRC Consultants for OGE which shows the location of the test well and the fact that the boring at the far south end of the OGPP Property encountered only weathered bedrock, not any of the water-bearing alluvium that constitutes the subterranean stream, meaning that the OGPP Property does not overlie or abut the subterranean stream. Any water found in that test well is percolating groundwater, not groundwater from the subterranean stream.

Again, these documents confirm that the OGPP Property does not abut the subterranean stream. Because the law only allows water to be used under a claim of riparian right on land that is riparian to a surface or subterranean stream, the water from the SDG&E well cannot be used on the OGPP Property. OGE's Response provided no evidence to support the claim that the OGPP Property is riparian to the subterranean stream.

Consequently, when Data Request 1 asked for information to support OGE's claim that it has the legal right to use water from the SDG&E well, no relevant responsive information was provided. By law, a party "alleging the existence of water rights has the burden of proof' [citation omitted]" to show that the right exists. (*California Water Service Company v. Edward Sidebotham & Son, Inc.* (1964) 244 Cal.App. 2d 715, 737). The legal presumption is that ground water below a property is percolating ground water



and the burden to show that the water is in a subterranean stream is on the party making that claim. (Los Angeles v. Pomeroy (1899) 124 Cal. 597, 628-629). Because the course of a subterranean stream must be "known and definite," OGE's view that the entire Pala Basin constitutes a subterranean stream has no support in case law or otherwise. (North Gualala Water Company v. State Water Resources Control Board (2006) 139 Cal.App.4th 1577, 1605-06). The fact that OGE's response repeatedly makes the claim that the OGPP Property has a "riparian right" is not sufficient to satisfy its burden of proof on that critical issue.

II. OGE'S RESPONSE TO THE FIRST DATA REQUEST PROVIDES AN ERRONEOUS INTERPRETATION OF THE LANGUAGE OF THE EASEMENT

Not only does the OGE Response not provide the information required to support its claim that SDG&E (let alone OGE) has a legal right to use water from the SDG&E well as a riparian landowner, the Response badly mischaracterizes SDG&E's rights under the Easement. As a threshold matter as well, the Response fails to acknowledge that OGE has <u>no</u> rights under the Easement, including no right to access the Pala Band's property.

As the Pala Band pointed out in detail in its previous comments, no language in the Easement indicates that SDG&E or Fenton intended that a third party, such as OGE, would have the benefits of the Easement so that the third party could use water pumped from the SDG&E well. There also is no evidence that the parties to the Easement intended that the water from the SDG&E well could be used to operate a natural-gas power plant rather than for the irrigation of the orange groves.

Quite the opposite is true. The clear language of the Easement reflected the intent of the parties to allow SDG&E to use water pumped from the well to irrigate the existing orange groves on the north side of SR 76. Nothing in the Easement indicates that the water could be used for industrial purposes, even if such uses are "beneficial uses" under state law. By law, the use of an easement is confined strictly to the purposes for which it was granted. (*National City v. California Water and Telephone Company* (1962) 204 Cal.App.2d 540, 548). And, as the Pala Band discussed previously, an exercise of a right under an easement "fixes the right and limits it to the particular course or manner in which it has been enjoyed." (*Winslow v. City of Vallejo* (1906) 148 Cal. 723, 725). The language of the Easement and SDG&E's use of water from the well to irrigate the orange groves for a number of years fixed its rights under the Easement to use the water for that purpose and that purpose alone.



Similarly, OGE's claim in the Response that "SDG&E retained the right to relocate the well and appurtenances to the well" also ignores the clear language of the Easement. Again, as the Pala Band discussed in detail in its previous comments, the language of the Easement explicitly limits SDG&E's ability to relocate the well and the pipeline except under specified circumstances. The Easement allowed for the well and appurtenances to be relocated <u>if and only if</u> (1) the actions of the Pala Band (the "Grantor") caused the well to produce less than 450 gallons per minute of water or to produce water of "inferior quality," or (2) the Pala Band (Grantor) pay for the relocation of the well and pipeline is more evidence that these conditions have to be met before the relocate the well or the pipeline at any time if it chooses to pay for the relocation. As neither condition in the Easement allowing relocation has been satisfied, SDG&E and/or OGE does not have the right to relocate the well or the pipeline.

The Pala Band's comments also discussed the fact that the map included as Exhibit C to the Easement showing the location of the six-foot wide easement granted for the well and the pipeline differs significantly from the location of the proposed pipeline shown on Exhibit 2-1 of the Response. For example, based on the scale identified on Exhibit 2-1, the section of the pipeline heading north from the SDG&E well is approximately 140 feet in length on Exhibit 2-1, while the distance identified on Exhibit C of the Easement was only 41 feet. Based on this 100-foot difference alone, the claim in the Response that the new pipeline would be within the easement granted for the pipeline cannot be justified.

The burden is on SDG&E and OGE to show that the new pipeline would be installed in the area identified in the Easement. Even if SDG&E or OGE had the right to relocate the well and/or the pipeline because the conditions in the Easement discussed above had been met, neither OGE nor SDG&E has the right to install a new pipeline outside the granted Easement. That would require that the Pala Band agree to grant a new easement, which it has not done.

The bottom line is that the Response does not show that (1) SDG&E has a riparian right to take water from its well on the Pala Band's property for use on the OGPP Property, (2) the terms of any OGE contract or other agreement with SDG&E to purchase water pumped from that well, (3) the Easement allows the water from the well to be used for purposes other than irrigating the orange groves, such as for industrial purposes at the OGPP, or (4) the Easement allows SDG&E or OGE to relocate the well or the pipeline



simply because they want to without meeting the conditions for relocation spelled out clearly in the Easement. As OGE has no right to access the Pala Band's property, and has no right under any document to use water from the SDG&E well, this incomplete Response does not resolve any of the critical issues pointedly identified in the Pala Band's comments.

III. OGE'S RESPONSE TO DATA REQUEST 2 ALSO IGNORES THE CLEAR LANGUAGE OF THE EASEMENT AND THE FACT THAT THE PROPOSED ACTIVITIES WOULD REQUIRE THE PALA BAND'S FURTHER APPROVAL

Data Request 2 sought information on the impacts of the installation of the new pipeline and the upgrading of the well. The Response stated that the project would entail the installation of a new pipeline that would be three or four inches in diameter and approximately 2750 feet long to convey water from the SDG&E well to the reclaimed water storage tank north of SR 76. The Response states that south of SR 76 on the Pala Band's property the "new pipeline would be routed to follow the existing route of an abandoned pipeline previously used when SDG&E well number 2 was in service for irrigating orchards."

The Response claims that the "majority" of the new pipeline "would be installed within in a construction corridor approximately 16 feet wide." But the Easement does not grant SDG&E a 16-foot wide easement to install a pipeline. The proposed 16-foot width would be far larger than the "strip of land six (6) feet in width" identified in the Easement as the location of the pipeline. While the Easement granted SDG&E incidental rights of ingress and egress for the laying of pipelines, that right of access only applied if the well or pipeline was required to be relocated pursuant to the conditions described above. Because there is no evidence that either of those relocation conditions in the Easement has been triggered, SDG7E/OGE would need a new easement from the Pala Band to proceed.

The table on page 4 of the Response indicates that the impact on the Pala Band's property for the "Boring pipeline installation and backfilling at the HDD receiving site on the south side of SR-76" would be 2,200 square feet. If this area is entirely on the Pala Band's property and not within the right-of-way of the California Department of Transportation, the Easement does not grant SDG&E a 2200-square foot easement for that work, and an additional easement would be required from the Pala Band for such work to occur.



Similarly, the proposed "Wellhead work and Wellhead Staging Area" of 7,700 square feet also is not reflected in the Easement, and the approval of the Pala Band would be required for that proposed work as well. Likewise, the claim that construction materials would be stored "adjacent to the SDG&E well" which is "flat and is free of vegetation except for seasonal non-native grasses" is not allowed under the Easement, and once again the approval of the Pala Band would be required for any material to be stored on its property.

IV. **CONCLUSION**

The Response does not adequately answer the Data Requests from CEC staff, and clearly fails to address the fundamental issues concerning the lack of a riparian water right for the OGPP parcel, and the limits of SDG&E's rights under the Easement that were identified in detail in the Pala Band's previous comments on OGE's Petition to Amend. For all of the reasons discussed in those comments, OGE has not shown it has any right to access and/or use water from the SDG&E well.

Please feel free to contact me if you have any additional questions.

Sincerely

Walter E. Rusinek

WER/mkf Enclosures

cc: Robert Smith, Chairman Pala Band of Mission Indians Shasta Gaughen, Tribal Historic Preservation Officer and Director, Pala Environmental Department

EXHIBIT A



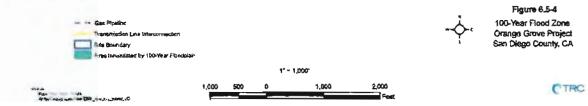


EXHIBIT B



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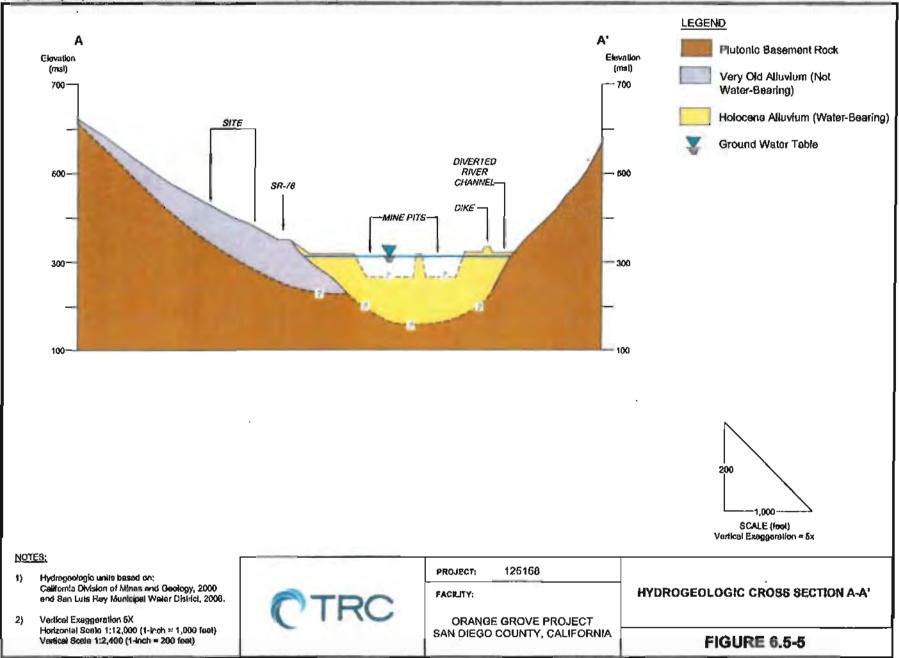


EXHIBIT C



TEST WELL INSTALLATION ON PARCEL NUMBER 110-072-26 PALA, CALIFORNIA

December 3, 2013

Prepared For:

J-Power USA 1900 East Golf Road, Suite 1030 Schaumburg, Illinois 60173

By:

Joseph L. Stenger

Joseph L. Stenger, PG 5964 Project Director

Jule, No.716 OFCAL

John Nordenstam, PG 7160 Senior Project Geologist

TRC SOLUTIONS, INC 123 Technology Drive, Suite 100 Irvine, California 92618

Test Well Installation on Parcel Number 110-072-26, Pala, California December 3, 2013

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- 2 Site Plan

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- B Well Permit Application
- C Boring Log, Well Construction Details, and Core Photographs
- D Survey Data

Test Well Installation on Parcel Number 110-072-26, Pala, California December 3, 2013

1.0 INTRODUCTION

This report documents the installation and development of a test well completed on Parcel Number 110-072-26 located in north San Diego County, approximately 3.5 (air) miles northeast of Interstate 15 on State Route (SR) 76, approximately two miles west of the community of Pala (see Figures 1 and 2). J-Power USA, through its operating subsidiary Orange Grove Energy, L.P., owns and operates a power plant on a leased portion of Parcel 110-072-26.

2.0 TEST WELL INSTALLATION ACTIVITIES

2.1 GEOPHYSICAL SURVEY

On July 31, 2013, a geophysical survey was conducted to locate any underground utilities present in the area of the proposed well location and the proposed well location was delineated with wooden stakes and flagging. On August 27, 2013, Dig Alert was notified; the owners of underground utilities in the area were notified by Dig Alert and the utilities present in the area of the proposed well were marked. Copies of the geophysical survey report and Dig Alert Ticket Number A32390856 are included in Appendix A.

2.2 WELL PERMIT

An application for a well permit with the County of San Diego. Department of Environmental Health, Land and Water Quality Division (County of San Diego DEH), was submitted on September 3, 2013. On September 9, 2013, the County of San Diego DEH approved of the well permit application and issued Well Permit Number DEH2013-LWELL-000259. A copy of the well permit application is included in Appendix B.

2.3 WELL INSTALLATION

On September 10 through 12, 2013, the test well was drilled and installed to a total depth of approximately 75 feet below ground surface (bgs) using sonic drilling techniques. The test well was drilled using a 10-inch-diameter outer casing and a 7-inch-diameter, 10-foot-long core barrel. No drilling fluids or additives were used during drilling activities. Soil/rock samples were collected continuously during drilling activities. For each sampling interval, field descriptions of the soil/rock type, moisture, color, and grading were recorded on the boring log. A copy of the boring log is provided in Appendix C.

Prior to well casing installation, the borehole annulus was drilled approximately one foot below the proposed bottom of casing (total depth of approximately 76 feet bgs). During well installation, the well casing was suspended and centralized (with stainless steel centralizers) within the outer drill casing and did not rest against the sides or bottom of the borehole annulus prior to being fixed in place. Simultaneously with the removal of the outer drill casing from the borehole, the filter pack, transition sand, and neat cement seal were emplaced.

Test Well Installation on Parcel Number 110-072-26, Pala, California December 3, 2013

The test well was constructed with 6-inch-diameter, flush threaded, stainless steel blank casing and continuous wire wrap screen (0.050-inch slot size) with a filter pack composed of 8 x 16 (#8 Mesh) gravel. A 5-footlong, Schedule 40, polyvinyl chloride (PVC) blank casing was installed benezth the screened interval. A 5.5foot thick transition sand (#30 Mesh) was installed above the filter pack and an annular seal of neat cement was installed from the top of the transition sand to ground surface. A four-foot square, concrete well pad was installed with an aboveground locking well box (monument box) and a locking watertight cap to prevent unauthorized access to the well and to prevent infiltration of surface fluids. In addition, four crash posts were installed around the well pad to protect the wellhead. A summary of the well construction details is presented below.

| Well ID | Casing Diameter | Blank (feet bgs) | Screen (feet bgs) | Filter Pack (feet bgs) | Transition Sand (feet bgs) | Seal (feet bgs) | Borehole Depth (feet bgs) | | |
|--------------|---|------------------------------------|----------------------|---------------------------|----------------------------------|--------------------|---------------------------------|--|--|
| Test Well | 6-inch | 0 to 40 (SS) and 70 to 75 (PVC) | 40 to 70 | 30 to 76 | 24_5 ю 30 | 0 10 24.5 | 76 | | |
| | Notes: bgs = below ground surface SS = stainless steel PVC = polyvinyl chloride | | | | | | | | |

Drill cuttings (soil and rock) generated from continuous core collection activities were stockpiled near the well location. Groundwater and saturated drill cuttings generated during well installation activities were placed on the ground surface near the well location in such a manner that water infiltrated into the soil or evaporated; no surface water runoff was allowed to occur. Copies of the boring log, well construction detail, and photographs of the cores collected during drilling activities are included in Appendix C.

2.4 WELL DEVELOPMENT

On September 16 and 17, 2013, the test well was developed by bailing, surging, and pumping. Well development activities were conducted to remove any residual drill cuttings from within and adjacent to the newly installed well. The goals were to obtain water samples with turbidity measurements less than 5 Nephelometric Turbidity Units (NTUs) and stabilized temperature, pH, and electric conductivity (EC) measurements (variation within 10 percent of measured values).

During well development activities, fluid levels in the well were measured using a water level meter (electronic interface probe with conductance sensors). The depth to water and total well depth were measured relative to the top of the well casing. The well was bailed using a 4-inch diameter stainless steel bailer and the well was surged using a dedicated surge block appropriate for the diameter of the well. Surging was performed by running the surge block along the length of the well screen that penetrated the current groundwater level. Groundwater pumping was conducted by installing a submersible pump at the base of the well. Temperature, EC, pH, and turbidity measurements were recorded during bailing and pumping activities. Temperature, EC, and pH were measured using an OaktonTM CON 10 Series meter and turbidity was measured using a LaMotteTM Model 2020 turbidity meter. Groundwater generated during well development activities was applied to the ground surface near the well location to evaporate and infiltrate with no runoff.

A summary of the well development observations is presented below:

- Groundwater was present at a depth of approximately 44.18 feet bgs.
- At a pumping rate of approximately 1.0 gallons per minute (gpm), stabilized temperature, EC, and pH readings and a final turbidity reading of 4.8 NTUs were obtained after the removal of a total of approximately 250 gallons of water.
- At a pumping rate of approximately 1.5 gpm, stabilized temperature, EC, and pH readings and a final turbidity reading of 342 NTUs was obtained after the removal of a total of approximately 145 gallons of water. It is possible that further development could remove more fine material from the adjacent formation and potentially increase water yield.

3.0 SURVEY DATA

On October 18, 2013, the surface elevation of test well was surveyed vertically and horizontally with a precision of 0.001 foot by a California-licensed surveyor. The top of the well casing elevation was surveyed to be at an elevation of 357.373 feet above mean sea level (North America Vertical Datum, 1988). A copy of the survey data is included in Appendix D.



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| | 354 | 35 East Pala Del Norte Road | APPROVED BY: | J. S | tenger PG 5964 |
| | Pol | a, California | DRILLING CO./RIG | Case | ade/Sonic |
| BLOWS PER 6 INCHES | SAMPLE DEPTH (leet below arade) | SAMPLER TYPE: /-Inch Diameter C | | USCS GRAPHIC LOG | |
| ш. | | | | | |
| | | Hand-Augered to 1 5 feet. Surface Material: Soll GRAVELLY SAND: brown (10YR 5/3), dry. fine to co and coarse gravel, some igneous cobbles (subang and silt, trace day. | arse grained sand, fine Jar) up to 6.5-inches, | GM | Monumen |
| | | At 11 feet, decreasing igneous cooble and gravel of At 12 to 14 feet, light gray (10YR 7/1), large broken than 7-inches (subangular), moderately weathered. | eous cobbles greater ontent (subangular). Igneous cobbles greater | GM GM GM | 5 10 - 6" Blank Stoinless Steel - 5 15 |
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| | | Highly weathered cobble sized fragments of igneou filling. | s rock with clay tracture | | Sand & Mesh 30 |
| C | TRC | LOG OF EXPLORATO | ORY BORING | | Test Well PAGE 1 OF 2 |

