



((Winter 2013))

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An informational newsletter for water users and landowners in the San Joaquin River Exchange Contractors' service area.

EXCHANGE

perspective

February 2013

CHANGES COMING THIS YEAR TO IRRIGATED LANDS PROGRAM

More than 300 growers, landowners and other interested parties attended a workshop in November hosted by Central California Irrigation District and San Luis Canal Company to learn more about changes to the Irrigated Lands Regulatory Program expected to be in place for the Westside San Joaquin River Watershed Coalition by the end of 2013. Landowners within the Exchange Contractors in 2004 overwhelmingly opted to participate in regional monitoring through the Westside Coalition.

New Waste Discharge Requirements for the Westside Coalition, along with other water quality coalitions in the Central Valley, will include new groundwater monitoring requirements for nitrogen and

other possible contaminants, as well as nitrogen management and water quality evaluation reporting requirements. The Central Valley Regional Water Board in December approved new Waste Discharge Requirements for the East San Joaquin River Water Quality Coalition, which are expected to serve as a model for additional coalitions as they are phased in by the Water Board over the next year.

The East SJRWDRs require that grower coalitions monitor groundwater for nitrates and other discharge contaminants. By 2017 growers will also be required to complete and submit to their coalition a farm evaluation plan that looks at possible factors that might impact surface and groundwater quality in their operation and location. All growers will have to complete a new plan every five years, though growers in areas classified as "highly vulnerable" must submit evaluations annually.

Growers will also be required to complete a nitrogen management plan outlining expected nitrogen usage for the growing season. Growers in "vulnerable" areas will need to have plans signed off by a specially certified advisor, or take training themselves to certify the plans, and also submit annual reports on nitrogen use to the coalition.

Between now and October 2013, the Regional Water Quality Control Board will hold a number of hearings within the Westside Coalition area as regulators seek input on the proposed program for our region.

SLCC General Manager Chase Hurley answers questions during a workshop held last November for growers in the SJR Exchange Contractors Water Authority on expected new Irrigated Lands Program requirements.



NEW BUDGET SUPPORTS STRATEGIC PLANNING EFFORTS

The Exchange Contractors Board of Directors has approved a 2013 budget that reflects long-term strategic planning efforts to shore up future water security for its member entities and their consumers.

“Based on our work through the strategic planning effort initiated last year and putting together a list of priorities, the 2013 budget reflects the priorities of the Authority for the next year and beyond,” said Executive Director Steve Chedester. “The strategic planning and associated projects provides a vision for how best to stay out front on important water rights issues and get our priorities accomplished given our available resources.”

Last year’s strategic planning effort included a number of

workshops and planning sessions with the Board of Directors, staff and management of the Exchange Contractors and its member entities, consultants and others to explore and prioritize long-term water supply issues, legislative issues, surface water projects, groundwater, subsidence and other issues.

This year’s budget will help fund work on the Los Banos Creek Detention Dam Project and groundwater recharge programs, which will build security for the future water rights of the Exchange Contractors. It will also help finance important issues such as the Irrigated Lands Program and water transfer program, Bay-Delta, and San Joaquin River Restoration Program that the Exchange Contractors is doing on behalf of its members.

WHAT DO CHANGES IN SACRAMENTO MEAN FOR RURAL WATER USERS?

It’s hard to say whether to be optimistic or pessimistic about 2013.

On the up side, news media report the state appears to be enjoying a credible economic recovery. The Governor released a proposed budget for 2013-14 that for the first time in years not only avoids cuts but also seeks a modest restoration of funding to some programs and full restoration of funding to K-12 education. Both the Governor’s Department of Finance and the non-partisan Legislative Analyst project actual budget surpluses for the 2014-15 Fiscal Year. As if this wasn’t enough good news the Department of Finance projected that personal income tax revenue for the month of January was going to exceed expectations by \$4.2 billion.

That optimism is tempered by a new two-thirds super-majority enjoyed by the Democrats in both houses of the Legislature—enough to override a gubernatorial veto, and raise taxes and fees without the aid of Republicans.

While leaders of the state legislature have pledged fiscal restraint, that will be a challenge with pent up budgetary frustration of their core constituencies and caucuses. There will be numerous proposals and demands to restore funding to state programs that have been cut deeply over the years.

Any exercise of power by the super-majority requires consensus amongst the majority. Such consensus may be elusive for two reasons in particular: There are 39 new members of the Legislature who are still trying to learn their way around the capital; and there are a handful of legislators in both houses competing to replace the termed-out State Pro Tem Senate and House speakers. So it appears both the Governor

and taxpayers are relatively safe from either a veto or new taxes in the near future.

Fees are a different story. One area of possible activity in fees is likely to be water. Two most pressing issues where fees may come up related to water are the pending re-negotiation of the water bond and efforts to address groundwater contamination. It is likely there will be proposals to levy fees to help fund new groundwater protection and clean-up programs.

Legislative leaders and the Governor have signaled their intent to negotiate a smaller water bond. Since it takes a two-thirds majority for the Legislature to place a bond on the ballot, the Democrats theoretically can place a general obligation bond on the ballot without Republican votes. Fortunately, water politics is more parochial than partisan, which makes consensus among the Democrats far more difficult to attain. As a result, regional alliances will likely trump political allegiances, which is cold comfort for the rural areas of the state.

Our gains and successes will be the result of forging alliances with other more populated regions of the state and working collaboratively to achieve our common goals. These efforts are important as the SJRECWA members continue to work on subsidence in Madera and Merced counties and possibly look for funding in the re-negotiated bond. Moreover, SJRECWA will need to be prepared to address any proposed fees associated with the Delta and/or groundwater quality. We continue to work with Central Valley Legislators such as Senators Canella and Rubio and Assembly members Gray, Perea, and Bigelow on San Joaquin River Restoration and other issues where we must forge an important alliance.

WATER MANAGEMENT PLANS SUBMITTED TO BUREAU

The Exchange Contractors has submitted a Five-Year Agricultural Water Management Plan for its member entities to the Bureau of Reclamation. Each member entity completed the 5-year plan as required by state law since 1993. The short-term reviews are in addition to the work each District is doing to develop and implement long-term projects as part of the conservation plan. They outline results of conservation projects within the districts and how irrigation methods and other efficiencies have improved within the Exchange Contractors.

The documents also outline water transfer policies, forming the basis of the Authority's water transfer program.

LONG-TERM WATER TRANSFER PROGRAM AWAITING BUREAU DECISION

The final Environmental Impact Statement/Environmental Impact Report on the Long-Term Water Transfer Program has been released. The 25-year EIS/EIR has been prepared jointly by the Exchange Contractors and Bureau of Reclamation for water years 2014 through 2038. After the review period, a Notice of Determination and Record of Decision will be issued. The new environmental document will extend the existing water transfer program through 2038, with an additional element of potentially expanding water transfers by 20,000 acre-feet of conserved water, under certain specified conditions, for a total of up to 100,000 acre feet of developed water from conservation measures and 50,000 acre-feet of water from temporary land fallowing.

The current 10-year water transfer program, which underwent similar environmental review in 2004, runs until February 2014. Once the Record of Decision has been made, Exchange Contractors will begin negotiating agreements for annual approval with potential buyers.

NEW BUREAU LEADERSHIP ANNOUNCED

The U.S. Bureau of Reclamation has named David Murillo new Regional Director for the Mid-Pacific Region, which covers the northern two-thirds of California including the San Joaquin Valley.

Murillo joined Reclamation in 2000 as the manager of Reclamation's Yakima Field Office. He served as the power manager for the Grand Coulee Power Office, the largest hydroelectric facility in the nation, before being named Deputy Commissioner for Operations in 2010.



*New Bureau Mid-Pacific Regional
Director David Murillo.*

He replaces outgoing Regional Director Don Glaser, who left the position in December but will continue to consult with the Bureau on projects including the San Joaquin River Restoration Program and Bay Delta Conservation planning efforts.

"We look forward to continuing our strong relationship with Reclamation and to building a great relationship with Mr. Murillo as we work with the Bureau on a number of water-related issues of importance to members of the Exchange Contractors," said Executive Director Steve Chedester.



The Exchange Contractors recently led a tour for members of the State Water Resources Control Board and Regional Water Quality Control Board as part of its outreach efforts on irrigated lands.



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A VOICE FOR OUR MEMBERS

As we report in this newsletter, 2013 promises to be a very interesting legislative year, particularly in light of projected flush state coffers and a new super-majority in the house legislature.

One area of concern is the imposition of new fees for agricultural water users. With the water bond pending re-negotiation and groundwater contamination coming to the regulatory forefront, there is a good chance the State Legislature will look at levying new fees on agricultural water users, particularly to fund groundwater cleanup and monitoring programs.

With so much at stake and so many new faces in Sacramento, the Exchange Contractors is busy meeting with new Legislators and committee heads to familiarize them with the Authority and our issues. The Legislators are likely to put forth proposals related to Delta issues, groundwater, San Joaquin River Restoration and a host of other issues. It is important that rural interests are represented and the Exchange Contractors will work closely with our local representatives to be sure landowners who farm within the member Districts of the Exchange Contractors have a voice going into the new year. Wishing you and yours a healthy and prosperous 2013.

Sincerely,
Steve Chedester

Executive Director
San Joaquin River Exchange Contractors Water Authority

