



((Spring 2014))

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

EXCHANGE

perspective

May 2014

AN UNPRECEDENTED YEAR

OTHER WATER INTERESTS JOIN WITH SJRECWA TO COUNTER THREATS TO SENIOR WATER RIGHTS

Facing perhaps the most complicated and troubling year in its history, members and individual landowners within the San Joaquin River Exchange Contractors have united together with other agricultural and even municipal water users to respond to natural, political and regulatory threats to senior water rights.

Three consecutive years of dry hydrology and low storage levels, compounded by a complexity of regulatory demands on traditional surface water deliveries to farms have made planning and preparing for the 2014 irrigation season especially difficult for members of the Exchange Contractors.

Persistent action by Exchange Contractors, individual landowners and political allies has helped curtail some of the worst case scenarios, including a move by the State Water Board in February to prevent delivery of Delta-Mendota Canal water to the Exchange Contractors when Delta regulatory standards, the agency claimed, were required to maintain storage in the reservoirs for municipal "health & safety" needs through 2015.

The Bureau of Reclamation in February had already notified the Exchange Contractors that their initial allocation pursuant to a Critical Year Designation would be at 40 to 75 percent of the full supply. The State Water Board's proposed action threatened to reduce delivery of the Exchange Contractors' water supply to as little as 5 percent.

SJRECWA Executive Director Steve Chedester said

modeling by the Exchange Contractors, other ag water users and even municipal water users revealed the move was an unsubstantiated overreach by the State Water Board.

"This was not about addressing the situation this year, this was clearly a challenge to the water rights of agricultural water users," Chedester said. "The emergency drought was clearly being used to weaken agricultural water rights couched under the banner of 'health and safety'."

In addition to launching extensive outreach to regulators, legislators, and the Governor's office, Exchange member agencies quickly galvanized a rally in Firebaugh with the support of local law enforcement, school district representatives, civic leaders and others who affirmed the devastating impacts these extreme actions would have on local farm-based communities. More than 1,000 community members attended the rally.

While the Water Board eventually backed off its emergency change petition proposal in the face of hearings, protests and petitions, farmers within Exchange Contractors' member entities still struggled through April to plan

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California State Senator Anthony Cannella addresses more than 1,000 who attended a drought awareness rally in Firebaugh.

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Chedester noted that even as precipitation improved through the end of February and March, state and federal water agencies were frozen by the myriad of federal ESA and state water quality regulations.

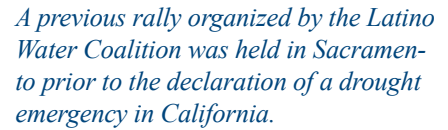
“The hydrology through mid-April in Northern California was better than in the drought year of 1977 and yet the Exchange Contractors at that time received their full 75 percent allocation through the Delta.”

The Central Valley Project and State Water Project on April 9 finally released their Drought Operations Plan and Operational Forecast for the water year from April 1 through Nov. 15, 2014.

"This was disappointing but we were promised that within a week to 10 days we would receive a revised forecast and consequently revised allocation. As of the writing of this article by the end of April, the revised forecast had not

He noted the historical nature of this year as up to this date the Exchange had not had to call upon water being released from Friant Dam to satisfy the terms of the Exchange Contract since the completion of the Delta Mendota Canal in 1951.

"This year due to excessive and overly burdensome Endangered Species Act requirements in the Delta and upstream, in addition to Delta water quality standard changes, very dry hydrology and the state water resources control board intervening in areas where it should not, we will be taking water from the Delta-Mendota canal and most likely be receiving the entire runoff from the upper San Joaquin River watershed to meet the Exchange Contract obligations," Chedester said. "We want to assure our growers that the Exchange Contractors and their members are pushing every day to secure our full 75 percent water supply for this year and we will turn over every rock, to see that to fruition."



JANUARY

31 SWRCB granted the change petition. Included in the petition was a requirement that the 1500 cfs was limited for human health & safety purposes.

14 Exchange Contractors participated in a meeting with President Barack Obama during his visit to California to discuss the current drought conditions.

18-19 State Water Resources Control Board holds workshop on the urgency change petition, the operations of the Delta Cross Channel dates and potential curtailment notices. During the workshop, SWRCB staff tried to pressure Reclamation into not delivering Exchange Contract water during times when the outflow standards are not being met, which potentially would significantly reduce Exchange Contractors' water supply in 2014, even well below 40%.

28 Exchange Contractors and other water contractors filed official protests with the SWRCB to challenge the temporary urgency order.

4 State Water Board and California Department of Agriculture Public Hearing at UC Merced, presentation by the Governor's Drought Task Force. Comments from the public outlining the enormous impacts (economic, social and environmental) were given regarding the SWRCB's temporary order.

SLCC BUILDING SECOND RESERVOIR TO IMPROVE CONSERVATION AND EFFICIENCY

Member agencies of the Exchange Contractors are investing heavily in conservation projects to help extend water resources to their maximum efficiency.

San Luis Canal Company is among those investing in capital improvements to help conserve water and improve water delivery, management and flexibility for their consumers.

SLCC is in the process of designing a second regulating reservoir and associated canal improvements in the company's northern boundary as part of its 10-year modernization plan approved in 2005.

SLCC General Manager Chase Hurley said major goals of the Modernization Plan are to decrease operational spill and improve conservation efforts. The reservoirs also improve distribution flexibility to accommodate shorter, more frequent irrigation sets as members put increased acreage under drip irrigation.

"More of our farmers are going to drip irrigation so we are trying to catch up with them in terms of how we operate the system," Hurley said. "These reservoirs better allow the Company to make changes locally and be more responsive to the growers' microirrigation needs."



Canal improvements include the installation of weirs and SCADA systems to reduce operational spill and enhance automation.



The Central Regulating Reservoir, completed in 2011-12 is the first of two reservoirs to improve conservation and efficiency in the SLCC service area. A second reservoir in the northern boundary is slated to begin construction in 2015.

Plans for the Island (B) Regulating Reservoir are currently being developed with construction scheduled for 2015. The estimated \$2.5 million cost will include a reservoir on 40 to 50 acres and delivery canal improvements. The Company already this winter invested \$500,000 to improve the canal system feeding into the area.

San Luis in 2011-12 completed construction on the 200 acre-foot capacity Central Regulating Reservoir on 40 acres in the center of the service area near Henry Miller Ave. and Turner Island Road. In addition to investing \$4.5 million in reservoir construction costs, San Luis leveraged additional partnership money from the Bureau of Reclamation to improve conveyance on the Delta Canal with 10 miles of canal improvements to reduce losses along with modernized weirs, metered head gates to individual fields, and SCADA systems.

With construction of the second reservoir, four of five major projects will be completed under the 10-year Modernization Plan. Other projects included modernization of canal laterals with the installation of weirs, real-time monitoring stations to measure flow rates and water quality, and construction of four major flow control structures with SCADA systems to improve water level control and automation. A new 10-year plan is currently being developed.

TIMELINE PROVIDES A LOOK BACK

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4 & 5 Exchange Contractors and other water contractors travel to Washington DC to brief members of Congress and Senate on the current drought conditions, impacts of regulatory decisions on our water supplies and small communities.

11 Participated in meeting with Secretary Sally Jewell, Department of Interior at the Jones Pumping Plant to discuss present water supply issues.

18 Water Rally held in Firebaugh on drought impacts; more than 1,000 people participated in support.

18 SWRCB signed a revised Temporary Urgency Change (TUC) order that lifted the restriction limiting USBR from providing Exchange Contractors' allocation from the DMC. SWRCB's Executive Director also indicated that he was anticipating that

the State Water Project (SWP) and the Central Valley Project (CVP) would finalize an operations plan for the projects for the remainder of 2014 and 2015 by the end of the month.

25 Water Rally held in Tulare to update Friant Water Authority's landowners on the drought impacts.

APRIL

9 The SWP and CVP Operations Plan released, but no allocation changes were included.

18 USBR announces 75 percent allocation to Sacramento River Settlement Contractors and the northern California refugees; State Water Project Contractors receive a 5 percent allocation; and an update to the Exchange Contractors' allocation is promised within 7 to 10 days.

20 Feather River Settlement Contractors receive 100% allocation.



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LEGISLATIVE UPDATE

The Legislative Committee of the Exchange Contractors will continue to monitor companion drought bills by U.S. Sen. Feinstein in the Senate and Rep. Valadao in the House and provide necessary input where senior water rights are threatened by political posturing.

Both of these bills have components we can support and there are also some changes that need to be made. The committee will follow these bills as they go through congressional conference and provide input to help ensure the best bill prevails in the interest of the Exchange Contractors and its landowners.

Another top priority this year will be to press the state legislature to pass a water

Sincerely,

Steve Chedester
Executive Director
San Joaquin River Exchange Contractors Water Authority

bond with meaningful and fully funded plans for future storage projects. In addition, the Committee will continue to be engaged as pressure continues to develop state legislation to regulate groundwater.

As always, the Committee is focused on working to communicate the needs and issues of members of the Exchange Contractors through ongoing outreach, including area tours with legislators and key staffers. The work of this important Committee cannot be overstated. We thank those members of the Committee, including managers, board members and landowners, from each member agency who put their time in to ensure the Exchange Contractors are out front on these and other issues.

