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

# EXCHANGE perspective

JULY 2018

## Framework lays out river restoration; funding still needed

**A** report that includes a work schedule for projects as part of the San Joaquin River Restoration Program has been released. But the title of the report---Funding Constrained Framework---is reflective of the challenges that lay ahead for the project.

The report is the result of a joint effort by the San Joaquin River Exchange Contractors Water Authority, Bureau of Reclamation, U.S. Fish and Wildlife Service, National Marine Fisheries Service, California Department of Water Resources, California Department of Fish and Wildlife, the Natural Resources Defense Council, Friant Water Authority, South Valley Water Association, and other third parties.

able deadlines and funding, positive steps could be taken toward completion of the project."



**New infrastructure in the Mendota Pool is included in the new Framework document.**

"Getting the framework document completed was an important step," explained Executive Director Steve Chedester of the Exchange Contractors. "We anticipate that with the right sequence of projects and reason-

Included in the framework are projects that provide safeguards from seepage for landowners adjacent to the river and prevent certain endan-

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## ACWA Ag Committee setting meetings to develop strategy

Regional meetings throughout the state are being planned by the newly-formed Agriculture Committee of the Association of California Water Agencies to gain input from farmers on issues that ACWA needs to address.

"We need to get our work plan put together," commented Firebaugh farmer Bill Diedrich, ACWA Ag Committee chairman. Diedrich sits on the ACWA board as a representative of San Luis Water District, which lies in ACWA Region 6.

Diedrich is targeting the development of a strategy to increase participation in

ACWA by Public Water Agencies that deliver water to farmers throughout the state.

"Since ACWA is a statewide issue-oriented organization, we need to develop statewide Ag-water policy positions that the committee can promote to the ACWA board of directors," Diedrich added.

Notices about the regional meetings will soon be mailed to ag-water districts who are already ACWA members. Diedrich added, however, that anyone from the ag industry is welcomed at the meetings.

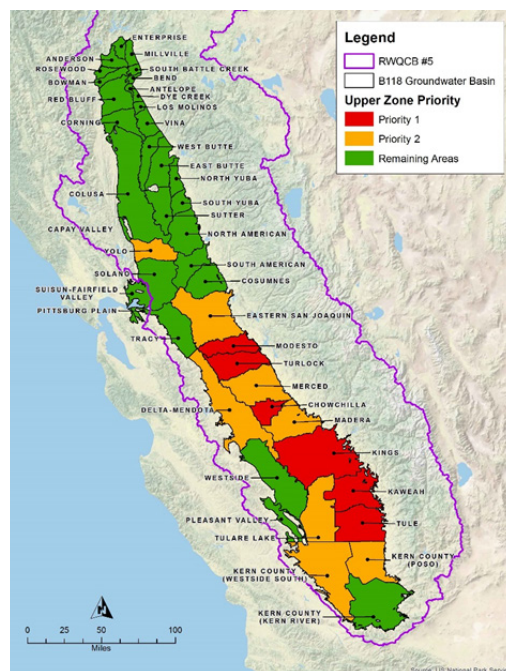
# Proposed Nitrate Regulations are Designed to Protect Water Quality and the Agricultural Economy

**T**he State is in the process of revising its approach to regulating discharges of nitrates to groundwater, including discharges from agriculture. For most growers it is difficult or even impossible to comply with current regulations when applied to discharges of nitrate to groundwater. It is essential that growers are given feasible options that both protect water quality and allow farms to operate.

"The proposed nitrate permitting strategy provides new tools for the Central Valley Regional Water Quality Control Board to address nitrate issues in a way that both allows growers to continue farming and provides for more timely use protection for groundwater users impacted by nitrates," consultant David Cory told the directors of the Exchange Contractors at their June meeting.

According to Cory, the proposed regulatory approach will be implemented in phases across the Central Valley with areas having the greatest nitrate contamination problems addressing the issue first. The two overarching goals of the proposed regulatory approach are to: 1) Assure safe drinking water and 2) Sustain the agricultural economy.

The State Water Resources Control Board is expected to consider the proposal by early 2019. If adopted, the regulations will require growers to take action to comply with



*Priority areas for managing nitrates in groundwater.*

the new rules. The Westside San Joaquin River Watershed Coalition, which the Exchange Contractors members belong to, will work with the growers to help them determine how to best comply with the new regulations.

## Drinking water fee, with ag protections, fails in Legislature

A legislative proposal, the Safe and Affordable Drinking Water Act, that would have established a drinking water fee, fell victim to the State Trailer Budget Bill process.

The San Joaquin River Exchange Contractors Water Authority supported the Act, citing in an endorsement letter that it would propose a modest fee structure that would be assessed on all water users---agriculture, urban and commercial water users---to fund infrastructure upgrades and financial assistance to improve drinking water systems in disadvantaged communities.

"The proposal strikes the needed balance between providing necessary resources for addressing critical drinking water needs, while protecting agriculture from certain nitrate related enforcement actions in the short term," Executive Director Steve Chedester wrote in the letter.

The bill, SB 623, is still working through the regular legislative process.

## SJR Restoration Program...

*Continued from Page 1*

gered fish from entering distribution channels to farmland.

"Senator Feinstein has been engaged in past discussions regarding funding but efforts at the federal level to secure funding has slowed because of the election year," Chedester said. "At some point in time we will meet with the Senator, along with other involved parties, to emphasize that the project is ready to move forward and the importance of locking in the needed funding."

"There are still issues that need to be resolved between some of the involved parties, but the framework document sets us on a course moving forward."

During the planning stage leading to the framework document, the Exchange Contractors emphasized and achieved funding for Arroyo Canal fish screen and Sack Dam fish passage, Mendota Pool Bypass and fish screen, and seepage mitigation measures.

# Funding remains in limbo

**A**n application seeking \$1 billion from the California Water Commission to move forward with the planning and construction of the Temperance Flat Reservoir Project has been reduced to \$171 million by the Commission's scorers who reviewed the applications. That amount remained unchanged following a June 27-28 meeting of the Commission.

A total of 12 project applications were submitted for the \$2.7 billion for investment in new water storage projects from Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014.

The San Joaquin Valley Water Infrastructure Authority submitted the application and was hopeful that the Commission would have changed the scoring the application initially received.

"An earlier meeting on June 7 with Water Commission staff to review the scoring of the application resulted, in our opinion, that our points were valid and put us in a stronger position for being awarded the eligible funding," said Authority Executive Director Mario Santoyo.

The initial review of the application by scorers from the Department of Fish and Wildlife devalued public benefits for salmon. As Santoyo explains, the "computer modeling process to determine these benefits is the same modeling process used by the San Joaquin River Restoration Program and is being used by the USBR for the Federal Feasibility Report. We are still at a loss as to how they came to their conclusion."

Executive Director Steve Chedester of the San Joaquin

**Commission Determinations for Final Score**

Project	Commission-Approved Expected Return for Public Investment Score (Maximum 100)	Commission-Approved Eligible Amount, \$ Million May 2018	Applicant Request, \$ Million May 2018
Chino Basin Conjunctive Use Program	70	\$206.90	\$206.90
Kern Fan Groundwater Storage Project	54	\$85.66	\$85.70
Los Vaqueros Reservoir Expansion Project	76	\$459.00	\$459.00
Pacheco Reservoir Expansion Project	82	\$484.55	\$484.55
Sites Project	61	\$1,008.28	\$916.62
South County Ag Program	77	\$280.53	\$280.50
Temperance Flat Reservoir Project	73	\$171.33	\$171.33
Willow Springs Water Bank	53	\$123.29	\$123.29

River Exchange Contractors Water Authority, which is a member of the JPA, added that federal funding would play a role in securing additional monies.

Recently, the U.S. Senate approved the \$43.8 billion Fiscal Year 2019 Energy and Water Development Appropriations Bill, which includes \$196 million to fund California and Western drought programs under the WINN Act. Water storage is designated to receive \$134 million.

"We will have to wait and see how that develops," Chedester said.

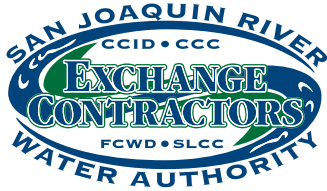
Santoyo pointed out several "big decision points" looming on the calendar that could decide the fate of the Temperance Flat Reservoir Project---

- End of July...the Water Commission will issue their final decision for funding from Proposition 1.
- End of August...the completion of a federal feasibility study by the U.S. Bureau of Reclamation.
- End of October...the completion of a modeling study by a group of potential investors that could determine whether the individual groups would be willing to fund a portion of the project and at what level.

### Reclamation increases allocations for CVP South-of-Delta water users

On June 15, the Bureau of Reclamation increased allocations for South-of-Delta Central Valley Project contractors to 50 percent for the 2018 contract year.

Reclamation is still planning to limit the overall amount of water in San Luis Reservoir that is rescheduled at the end of the contract year into the 2019 contract year.



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## ***Proposition 3 - The 2018 Water Bond***

*By Steve Chedester  
Executive Director*

The Water Supply and Water Quality Act of 2018 is a citizen's initiative water bond that will appear on the November 2018 statewide California ballot. The bond will invest \$8.877 billion dollars in California water infrastructure, including: safe drinking water, Sustainable Groundwater Management (SGMA) implementation, infrastructure repair, watershed and fish and wildlife habitat conservation, and many other important water management programs. The bill will benefit individual water users, agriculture, environment, and subsequently has received support across the board from conservation, agricultural, environmental justice, water and civic organizations.

The Water Bond includes:

- Safe drinking water and wastewater treatment for disadvantaged communities. \$750 million.
- Groundwater. \$675 million.
- Completion of fish screens in Central Valley. \$100 million.
- San Joaquin River Fisheries Restoration. \$100 million.
- Improvement to Friant Kern Canal and other Friant water interconnections. \$750 million.
- Wastewater recycling. \$400 million.

- Groundwater desalination. \$400 million.
- Urban water conservation. \$300 million.
- Agricultural water conservation. \$50 million.
- Central valley flood management, including flood plain restoration. \$100 million.
- San Francisco Bay Wetlands and flood improvements. \$200 million.
- Data management. \$60 million.
- Stormwater management \$600 million for a variety of state agencies.
- Watershed Improvement \$2,355 million to a wide variety of state agencies.
- Land Management for Water Yield. \$100 million.
- Fisheries restoration. \$400 million.
- Water and specific habitat improvements for fisheries. \$500 million.
- Waterfowl habitat. \$280 million.
- Bay Area Regional Reliability. \$250 million.
- Oroville Dam Spillway Repair. \$200 million.

Earlier this year the Exchange Contractors' Board endorsed the Bond Measure – now Proposition 3 and encourages you to visit [www.waterbond.org](http://www.waterbond.org) for more information.