



(( Fall 2014 ))

James E. O'Banion  
*Chairman*

Roy Catania  
*Vice Chairman*

James L. Nickel  
*Director*

Mike Stearns  
*Director*

Steve Chedester  
*Executive Director*

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##### CENTRAL CALIFORNIA IRRIGATION DISTRICT

James E. O'Banion  
*President*

Christopher White  
*Manager*

##### COLUMBIA CANAL COMPANY

Roy Catania  
*President*

Randy Houk  
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##### FIREBAUGH CANAL WATER DISTRICT

Mike Stearns  
*President*

Jeff Bryant  
*Manager*

##### SAN LUIS CANAL COMPANY

James L. Nickel  
*President*

Chase Hurley  
*Manager*

541 H St. • Los Banos, CA 93635

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

# EXCHANGE

## perspective

October 2014

### WATER SUPPLY UPDATE

THE BUREAU OF RECLAMATION HAS CONFIRMED THAT THROUGH THE COMBINED OPERATIONS OF THE EXCHANGE CONTRACTORS' MEMBER ENTITIES AND RECLAMATION, THE NOVEMBER/DECEMBER WATER WILL BE MADE AVAILABLE.

**A**s the summer water year draws to a close, the Exchange Contractors have worked diligently to ensure its member agencies get their November and December critical year allocation.

With water resources severely limited statewide, the Bureau of Reclamation is struggling to meet all requirements

to deliver water to its water rights consumers while retaining enough water to support cold-water salmon releases and other environmental requirements. The Exchange Contractors is working closely with the Bureau on finding ways to ensure its contract obligations are met.

"We continue to work with the Bureau on creative solutions to allow the

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### GOVERNOR APPROVES WATER BOND FOR STATE BALLOT IN NOVEMBER

**C**alifornia Gov. Jerry Brown has signed a comprehensive \$7.5 billion water bond to be put before voters in November. Proposition 1, as it will appear on the November ballot, replaces an \$11 billion water bond that was passed in 2009 and had been previously set for public referendum, but was in jeopardy of being further delayed without support of the Governor's office.

The bond provides for \$2.7 billion for additional water storage in addition to funding for water use efficiency and recycling, groundwater cleanup and management, safe drinking water for disadvantaged communities, and watershed restoration and increased flows in some of California's most important rivers and streams.

Exchange Executive Director Steve Chedester said the SJR Exchange Contractors Water Authority generally supports the water bond package, though it would prefer to see additional funds dedicated to long-term storage projects. Money to assist in putting together a comprehensive groundwater program, through banking, monitoring and remediation, was also a key to Exchange support. Representatives and consultants with the Exchange Contractors met with legislators to let them know the interests

of the landowners in the Exchange service areas.

"We feel like we got two things we needed even if it is not as much as we would have liked," Chedester said. "Our Valley delegations in both the Assembly and Senate worked together, stuck to their guns and worked across party lines to get a bond that was better than what the office of the Governor was proposing even a week before."

Now the effort turns to garnering enough public support to get it passed on the state ballot.

"We can help educate the public about the positives that are in the bond and what it can do for their communities," he said.

Paring the bond down to a more manageable size and removing funds that appeared to be "excess pork" was important in getting the Governor's support, without which the bond's fate was in question this year, Chedester said.

"The concern was that without the Governor's support a vote on the bond would be put off again and we would lose the momentum coming out of this drought year when people understand the severity of the situation with the state's water supply," Chedester said.

# NEW GROUNDWATER BILLS PASS STATE LEGISLATURE

BILLS EMPHASIZE STATE AUTHORITY OVER LOCAL GROUNDWATER MANAGEMENT AND REGULATION.

**T**he State Legislature in late August passed a three-bill groundwater package as part of a far-reaching goal to have sustainable groundwater management in place in California within 20 years.

The Exchange Contractors has closely followed developments over the past two years related to groundwater regulations and their potential implication on long-term water and property rights. Executive Director Steve Chedester said the Exchange Contractors are concerned about language in the bill that gives state agencies unprecedented authority over local control of groundwater management, fee assessment and regulations that could involve surface water rights.

“This has the potential to be the most significant water legislation in decades in terms of impacts to property rights, including water rights,” Chedester said. “It is a massive set of bills that have not been entirely thought through with stakeholders and are going to pose serious problems in their implementation.”

The new legislation will likely prompt litigation that will take years to resolve and dedicate already scarce financial resources away from real solutions to groundwater management, he added.

The Exchange Contractors’ position on groundwater management is that a more robust framework for groundwater management is essential for long-term sustainability of the state’s groundwater supplies and the industries that rely upon a balanced groundwater supply. However, these bills do not achieve a balanced approach and a number of outstanding issues remain unresolved. Among the requirements of these new bills are new provisions for basin or sub-basin wide

groundwater management agencies to submit adequate management plans. Despite a localized area’s efforts to best meet the loosely defined requirements in the bills, the State Water Resources Control Board and/or the Department of Water Resources could step in if these plans are not prepared or deemed inadequate and dictate to the basin or sub-basin areas how to manage both groundwater and surface water.

Additionally, the final bill package did not resolve the issue relating to beneficial use for groundwater recharge. Lastly, the bill package does not adequately draw the boundaries between the regulation of groundwater and the regulation of surface water. Surface water and groundwater are tied to each other, yet appropriately regulated under two separate frameworks.

“We have concerns that the new legislation would allow an incursion of the state’s authority into surface water rights that, prior to these bills, had not been regulated by the state,” Chedester said.

“The Exchange Contractors agree there needs to be more tools available for local groundwater management, but we believe the districts are the best gauge on that and the best ones to manage it,” he said. “As written, the bills give the window dressing of local control but make groundwater subject to state authority and potential state takeover.”

The Exchange had also lobbied unsuccessfully to carve out clear rules to designate sub-basins with intentional groundwater recharge designated as a beneficial use. This is especially important given subsidence issues and their potential impact on or near Exchange Contractors’ members’ facilities. Exchange Contractors strongly expressed its concerns prior to the final votes on the groundwater legislation package.

## STATE BACKS OFF DANGEROUS CURTAILMENT PRECEDENT

**T**he State Water Board has backed off an earlier drive to deliver general curtailment notices to senior water rights holders preventing them from diverting water for agricultural uses. Given the extreme circumstances resulting from dry hydrology, regulations, salinity, and endangered species requirements, the State Board for the first time in decades issued curtailment notices to certain water users with post-1914 and pre-1914 water rights. It had initially threatened to issue curtailment notices on senior water rights for ag diversions from small creeks and tributaries in Northern California and the concern was it would extend those notices to pre-1914 water rights holders on the San Joaquin and Sacramento Rivers.

Exchange Contractors Executive Director Steve Chedester said the whole process clearly illustrated political moves to use a drought emergency as a vehicle to capture control of the state’s water system. This year was a severe test and opened the door to this and other dangerous precedents that

could ultimately threaten the water rights of senior water rights holders such as those of the Exchange Contractors’ members.

“The State Board was attempting to exercise its authority in every avenue including trying to test the waters on curtailing water rights diversions,” he said. “While the State Board elected to not pursue the curtailment proceeding earlier this year, the concern is there continues to be decisions made by the state outside of their authority, circumventing due process and using emergency powers to extend its reach into new territory.”

Under pressure from senior water rights holders, the State Board did ultimately end up holding proceedings and decided not to make a blanket curtailment order. However, Chedester said this issue is likely to come up again, particularly as the drought continues, and the Exchange Contractors will continue to stay on top of the issue and demand proper due process.

# FIREBAUGH CANAL FINISHES SECOND PHASE OF FIRST LIFT CANAL LINING PROJECT

CONCRETE LINING AND AUTOMATION PROJECT WILL CONSERVE WATER AND IMPROVE OPERATIONS AND DELIVERY.

**E**xchange Contractors' member entity, Firebaugh Canal Water District has completed the second phase of its First Lift Canal Lining Project, installing concrete lining on 2 miles of canal from Washoe Avenue to Shaw Avenue. Phase 2, which was completed in Feb. 2014, also included a new automated check structure with two fully automated gates to control upstream water levels.



*Second Phase of Firebaugh Canal's 1st Lift Canal Lining Project included lining some 2 miles of canal for improved efficiency, maintenance and delivery.*

The project was partially funded through a U.S. Bureau of Reclamation grant as part of its WaterSMART program.

Firebaugh Canal General Manager Jeff Bryant said that with completion of the second phase, the First Lift Canal lining project is nearly half done, with another 5 miles of lining remaining. In addition to the concrete lining, the project replaced antiquated wooden weirs with a state-of-the-art automated check structure that will be operated through the District's SCADA computerized monitoring and control system.

The District's overall goal is to line the majority of FCWD canals as part of a long-term water efficiency project to conserve water and also reduce the volume of subsurface drain water and potential for offsite movement through the Grasslands Bypass Project.



*The project also included construction of a new automated check structure that will be operated through the District's SCADA system.*

Concrete lining will reduce irrecoverable losses through seepage and also assist the District with operational and maintenance obligations, Bryant said.

"Reductions in suspended silt and aquatic weed growth improve maintenance and operations," he said. "We are no longer excavating that portion of the canal and don't have to mow it. We put the water in the canal and it's more efficiently delivered for our growers with less sediment in the canal, which is better for their efficient irrigation systems."

Firebaugh Canal Water District has lined more than 31 miles of canals and laterals since its Water Conservation Plan launched more than 15 years ago. This project and others have been funded with cooperative grant funds from the Bureau of Reclamation, Cal Fed and Proposition 50, along with state funding to supplement dollars the District invests using revenues from the sale of conserved water. Money is dedicated to improving the District distribution system and also providing cost-share grants to landowners to implement on-farm water conservation projects, such as low-volume irrigation systems, tailwater return systems and cooperative ditch improvements.

FCWD received \$300,000 from the Bureau of Reclamation toward the \$1 million cost for the 1st Lift Canal Lining Project.

## WATER SUPPLY UPDATE

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Bureau to comply with our contract while meeting their other requirements they have stacked on top of it," said Steve Chedester, Executive Director of the Exchange Contractors.

To date, the Bureau has agreed to deliver 529,000 acre-feet to satisfy its summer water contract from April 1 to Oct. 31. That figure represents the full 75 percent allocation required under a critical year designation of our 7-month water. The full critical year contract calls for a total of 650,000 acre-feet including the five-month winter water from the periods of January to March and November to December.

Growers within member entities held off on irrigating in January through March this year while awaiting the Bureau's allocation decision. Many growers, uncertain of what the final allocation would be, relied on wells or even fallowed fields while awaiting a decision. As a result, the Bureau still has an obligation to provide the Exchange Contractors 89,000 acre-feet

under terms of the critical year allocation. Chedester said the Exchange Contractors and Bureau are working on proactive solutions to fulfill the terms of the contract and help the Bureau meet some of its other obligations as well.

"We will have water available for our growers in November and December, one way or another," Chedester said.

These creative solutions have been a fundamental part of managing this especially difficult irrigation season, he added. The member entities this year worked with state, federal and local agencies, along with legislative representatives to get landowners their contracted water deliveries while minimizing impacts on San Joaquin River as a result of the unprecedented call on Friant water. In July, the Exchange Contractors agreed to transfer 13,500 acre-feet to five Friant districts to assist in relieving some of their critical water needs.

"Because of our farmers' proactive response during this dire and historic water year, the Exchange Contractors were able to assist our neighbors."



San Joaquin River Exchange  
Contractors Water Authority

PO Box 2115

Los Banos, CA 93635

Tel: 209.827.8616

Email: [contactus@sjrecwa.net](mailto:contactus@sjrecwa.net)

website: [www.sjrecwa.net](http://www.sjrecwa.net)

[www.sjrecwa.net](http://www.sjrecwa.net)

## LEGISLATIVE UPDATE

**A**ugust 29th marked the end of the state legislative session, one described as the most productive and cordial in memory. With the drought at top of mind for the public this year, state legislators passed anticipated groundwater bills and the Governor signed off on a water bond that if passed by voters could mean additional storage for California surface water.

These bills and other legislative action may not directly affect the interests of the Exchange Contractors, but how they are enacted and enforced almost certainly will. As this year has proven, precedents can be set at the whim of politicians that can directly impact the long-term senior water rights of our landowners. The Exchange Contractors and member entities, along with our formidable team of lobbyists and experts, will continue to be sure our interests are represented and guard against precedents that will jeopardize our future water and property rights.

Sincerely,

Steve Chedester

Executive Director

San Joaquin River Exchange Contractors Water Authority

