A Quarterly Publication from the Northern California Water Association

Volume 9 Issue 2

Challenging Times Ahead

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Water Notes Page 40 As we head into summer, the water supply challenges facing the Sacramento Valley and the State of California loom large. The Governor on January 17 issued a drought proclamation and on April 25 he further reinforced that "the severe drought conditions continue to present urgent challenges: water shortages in communities across the state, greatly increased wildfire activity, diminished water for agricultural production, degraded habitat for many fish and wildlife species, threat of saltwater contamination of large fresh water supplies conveyed through the Sacramento-San Joaquin Bay Delta, and additional water scarcity if drought conditions continue into 2015." Importantly, we will be in this "continued state of emergency" until we receive significant precipitation in Northern California.

In the Sacramento Valley, water supplies vary, with some areas receiving no surface supplies and other areas with nearly full allocations. This year has challenged our region like never before and it has highlighted the value of your water rights and contracts.

Our first order of business is to maximize the region's water resources this year for the various beneficial uses in the Sacramento Valley, recognizing that there will continue to be both internal and external pressure on this scarce resource as the year progresses. We also need to plan for another dry year in 2015, while taking stock of the lessons learned this year that will help us better prepare for the next drought.

With less surface supplies available, we know there will be increased reliance on the groundwater resources in the region. You can be sure that groundwater will be in the news this summer and the Governor and the Legislature are already pursuing legislation on groundwater management. Within the Sacramento Valley, groundwater is being actively managed in conjunction with surface supplies, which we will showcase in this year's public policy debate as described in more detail in the groundwater section.

We encourage you to join us in telling your story about this special region. Through the leadership in the region, we have been able to broadly communicate how water supply cutbacks have impacted the region, as well as how the water that is available is serving triple duty—farms, fish and birds. Our partnership with the California Rice Commission has been essential this year in telling this story in an effective manner. Please take a look at the NCWA website and join us in the conversation with the various blogs and social

media, where we will continue to tell the world that the Sacramento Valley is a California treasure with water as its lifeblood.

We look forward to working with you as the summer progresses....

David Guy, President



evance

Northern California Water Association

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For dry year information, join us on the Sacramento Valley social media pages!

NCWA, together with California Rice Commission, has launched a initiative to connect with legislators, decision makers, and the general public about the unique place that is the Sacramento Valley and the vital role that water plays here. Please connect with these pages, and share them with your friends:

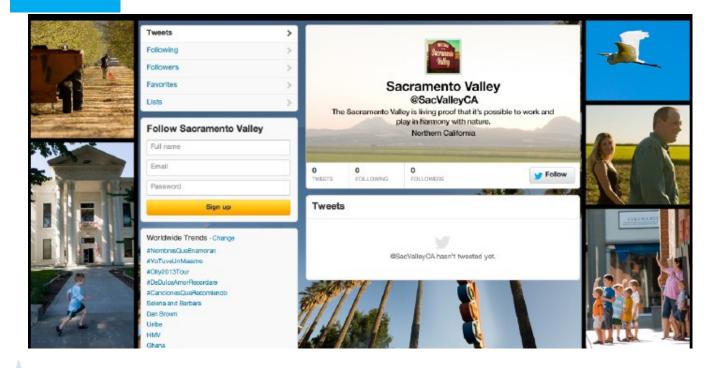


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http://www.facebook.com/sacvalleyCA

Follow us on Twitter, and join as we interact with local people, businesses, and organizations in the Sacramento Valley.

https://twitter.com/sacvalleyca





The NCWA Board of Directors convened in Richvale in January 2013 to ask whether the Sacramento Valley is prepared for drought? We had a very good and productive session, although we did not anticipate that 2013 and 2014 would be as dry and challenging as it has been. The NCWA Water Management Task Force has picked up the mantle since that time and been meeting regularly, providing tremendous thought and guidance to help us get through this year. We also assembled a Drought Strike Team that has been working hard all year. Importantly, we have come together as a region and these efforts have led to more reliable water supplies than we would have had otherwise in the Sacramento Valley, thanks to the creativity and tenacity of many leaders in the Sacramento Valley.

The following descriptions of water management this year--one on the Sacramento River and the other on the Feather River--are illustrative of the challenges we face and the creativity that has emerged to make water available in the Sacramento Valley this year. This style of management is also taking place in other parts of the Valley. It is my hope that we can continue to coalesce as a region to work together to get through this year, to prepare for 2015 and to translate the many lessons from this year into actions that will better prepare the region for the next drought.



By Fritz Durst, Chair Water Management Task Force

Governor Brown Issues New Drought Executive Order

On April 25, Governor Jerry Brown issued a new Executive Order proclaiming a "Continued State of Emergency" for the California drought. This Order follows and builds upon the Governor's first Order, which was issued in January. The order contains the following provisions:

- 1. The orders and provisions contained in Proclamation No. 1-17-2014, dated January 17, 2014, remain in full force and effect except as modified herein.
- 2. The Department of Water Resources and the State Water Resources Control Board (Water Board) will immediately and expeditiously process requests to move water to areas of need, including requests involving voluntary water transfers, forbearance agreements, water exchanges, or other means. If necessary, the Department will request that the Water Board consider changes to water right permits to enable such voluntary movements of water.
- 3. Recognizing the tremendous importance of conserving water during this drought, all California residents should refrain from wasting water:
 - a. Avoid using water to clean sidewalks, driveways, parking lots and other hardscapes.
 - b. Turn off fountains and other decorative water features unless recycled or grey water is available.
 - c. Limit vehicle washing at home by patronizing local carwashes that use recycled water.
 - d. Limit outdoor watering of lawns and landscaping to no more than two times a week.

Recreational facilities, such as city parks and golf courses, and large institutional complexes, such as schools, business parks and campuses, should immediately implement water reduction plans to reduce the use of potable water for outdoor irrigation.





Commercial establishments such as hotel and restaurants should take steps to reduce water usage and increase public awareness of the drought through measures such as offering drinking water only upon request and providing customers with options to avoid daily washing of towels or sheets.

Professional sports facilities, such as basketball arenas, football, soccer, and baseball stadiums, and hockey rinks should reduce water usage and increase public awareness of the drought by reducing the use of potable water for outdoor irrigation and encouraging conservation by spectators.

The Water Board shall direct urban water suppliers that are not already implementing drought response plans to limit outdoor irrigation and other wasteful water practices such as those identified in this Executive Order. The Water Board will request by June 15 an update from urban water agencies on their actions to reduce water usage and the effectiveness of these efforts. The Water Board is directed to adopt emergency regulations as it deems necessary, pursuant to Water Code section 1058.5, to implement this directive.

- 4. Homeowners Associations (commonly known as HOAs) have reportedly fined or threatened to fine homeowners who comply with water conservation measures adopted by a public agency or private water company. To prevent this practice, pursuant to Government Code section 8567, I order that any provision of the governing document, architectural or landscaping guidelines, or policies of a common interest development will be void and unenforceable to the extent it has the effect of prohibiting compliance with the water-saving measures contained in this directive, or any conservation measure adopted by a public agency or private water company, any provision of Division 4, Part 5 (commencing with section 4000) of the Civil Code notwithstanding.
- All state agencies that distribute funding for projects that impact water resources, including groundwater resources, will require recipients of future financial assistance to have appropriate conservation and efficiency programs in place.
- 6. The Department of Fish and Wildlife will immediately implement monitoring of winterrun Chinook salmon in the Sacramento River and its tributaries, as well as several runs of salmon and species of smelt in the Delta as described in the April 8, 2014 Drought Operations Plan.
- 7. The Department of Fish and Wildlife will implement projects that respond to drought conditions through habitat restoration and



through water infrastructure projects on property owned or managed by the Department of Fish and Wildlife or the Department of Water Resources for the benefit of fish and wildlife impacted by the drought.

- 8. The Department of Fish and Wildlife will work with other state and federal agencies and with landowners in priority watersheds to protect threatened and endangered species and species of special concern and maximize the beneficial uses of scarce water supplies, including employment of voluntary agreements to secure instream flows, relocation of members of those species, or through other measures.
- 9. The Department of Water Resources will expedite the consideration and, where appropriate, the implementation, of pump-back delivery of water through the State Water Project on behalf of water districts.



- 10. The Water Board will adopt statewide general waste discharge requirements to facilitate the use of treated wastewater that meets standards set by the Department of Public Health, in order to reduce demand on potable water supplies.
- 11. The Department of Water Resources will conduct intensive outreach and provide technical assistance to local agencies in order to increase groundwater monitoring in areas where the drought has significant impacts, and develop updated contour maps where new data becomes available in order to more accurately capture changing groundwater levels. The Department will provide a public update by November 30 that identifies groundwater basins with water shortages, details remaining gaps in groundwater monitoring, and updates its monitoring of land subsidence and agricultural land fallowing.



12. The California Department of Public

Health, the Office of Emergency Services, and the Office of Planning and Research will assist local agencies that the Department of Public Health has identified as vulnerable to acute drinking water shortages in implementing solutions to those water shortages.

- 13. The Department of Water Resources and the Water Board, in coordination with other state agencies, will provide appropriate assistance to public agencies or private water companies in establishing temporary water supply connections to mitigate effects of the drought.
- 14. For the protection of health, safety, and the environment, CAL FIRE, the Office of Emergency Services, the Department of Water Resources, and the Department of Public Health, where appropriate, may enter into contracts and arrangements for the procurement of materials, goods, and services necessary to quickly mitigate the effects of the drought.
- 15. Pursuant to the drought legislation I signed into law on March 1, 2014, by July 1, 2014, the California Department of Food and Agriculture, in consultation with the Department of Water Resources and Water Board, will establish and implement a program to provide financial incentives to agricultural operations to invest in water irrigation treatment and distribution systems that reduce water and energy use, augment supply, and increase water and energy efficiency in agricultural applications.
- 16. To assist landowners meet their responsibilities for removing dead, dying and diseased trees and to help landowners clear other trees and plants close to structures that increase fire danger, certain noticing requirements are suspended for these activities. Specifically, the requirement that any person who conducts timber operations pursuant to the exemptions in Title 14, California Code of Regulations sections 1038 (b) and (c) submit notices to CAL FIRE under the provisions of Title 14, California Code of Regulations, section 1038.2 is hereby suspended. Timber operations pursuant to sections 1038(b) and (c) may immediately commence operations upon submission of the required notice to CAL FIRE and without a copy of the Director's notice of acceptance at the operating site. All other provisions of these regulations will remain in effect.
- 17. The Water Board will adopt and implement emergency regulations pursuant to Water Code section 1058.5, as it deems necessary to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water, to promote water recycling or water conservation, and to require curtailment of diversions when



water is not available under the diverter's priority of right.

- 18. In order to ensure that equipment and services necessary for drought response can be procured quickly, the provisions of the Government Code and the Public Contract Code applicable to state contracts, including, but not limited to, advertising and competitive bidding requirements, are hereby suspended for directives 7 and 14. Approval by the Department of Finance is required prior to the execution of any contract entered into pursuant to these directives.
- 19. For several actions called for in this proclamation, environmental review required by the California Environmental Quality Act is suspended to allow these actions to take place as quickly as possible. Specifically, for actions taken by state agencies pursuant to directives 2, 3, 6¬-10, 13, 15, and 17, for all actions taken pursuant to directive 12 when the Office of Planning and Research concurs that local action is required, and for all necessary permits needed to implement these respective actions, Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division are hereby suspended. The entities implementing these directives will maintain on their websites a list of the activities or approvals for which these provisions are suspended. This suspension and that provided in paragraph 9 of the January 17, 2014 Proclamation will expire on December 31, 2014, except that actions started prior to that date shall not be subject to Division 13 for the time required to complete them.
- 20. For several actions called for in this proclamation, certain regulatory requirements of the Water Code are suspended to allow these actions to take place as quickly as possible. Specifically, for actions taken pursuant to directive 2, section 13247 of the Water Code is suspended. The 30-day comment period provided in section 1726(f) of the Water Code is also suspended for actions taken pursuant to directive 2, but the Water Board will provide for a 15-day comment period. For actions taken by state agencies pursuant to directives 6 and 7, Chapter 3 of Part 3 (commencing with section 85225) of the Water Code is suspended. The entities implementing these directives will maintain on their websites a list of the activities or approvals for which these provisions are suspended.

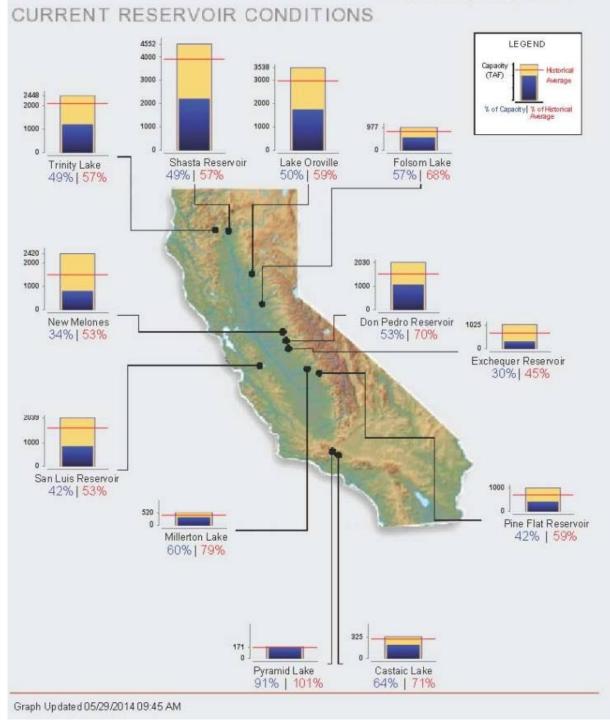
Below is the most recent information from the Department of Water Resources' California Data Exchange Center (CDEC) regarding reservoir levels throughout the state. For current information on water conditions, river flows and other statewide water conditions, go to: <u>http://cdec.water.ca.gov/</u>

For more information on the drought and our communications program, see "The Drought in the Sacramento Valley: Questions and Answers" and other related documents under featured items on the NCWA homepage at <u>www.norcalwater.org</u>.





Ending At Midnight - May 28, 2014



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Managing the Central Valley Project in the Sacramento Valley for Multiple Purposes and Benefits

The Bureau of Reclamation (Reclamation), in consultation with the National Marine Fisheries Service (NMFS) and the State Water Resources Control Board (SWRCB), can operate the Central Valley Project (CVP) this year to serve multiple benefits (fish, farms and birds) in the Sacramento Valley; to provide water for various Delta purposes, and plan for next year's carryover storage, even if the next year is dry. This effort also requires close coordination with the Sacramento River Settlement Contractors (SRSC) to maximize the efficient operation of the CVP.

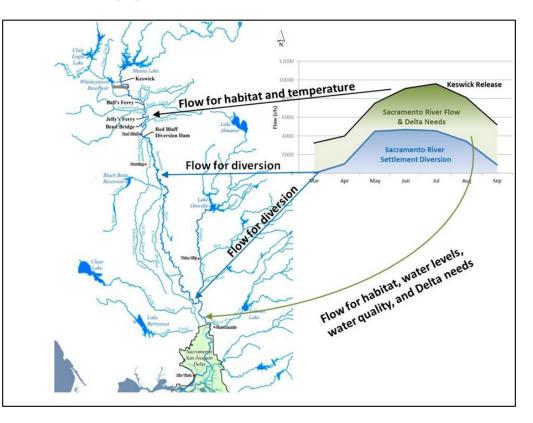
Current Hydrology

The storage in Lake Shasta is more than 2.4 million acre-feet (May 5), which is 53 percent of capacity, with additional inflow for the water year (through September 2014) projected to be approximately 1,250,000 acre-feet. Based on conservative estimates, there is enough water available this year under Reclamation's operational plan to meet the various needs described below, plus plan for next year if dry.

Water Serves Triple Duty in the Sacramento Valley

As the diagram below shows, water released from Shasta Lake will serve triple duty:

- Below Keswick Dam, water will be released for temperature control for the winter-run salmon rearing in the upper mainstem of the Sacramento River. This satisfies the Sacramento Valley requirements in the (NMFS salmon Biological Opinion and SWRCB Orders 90-5 and 91-01. These releases also reflect the priority that the fishery agencies are placing on salmon for this year. Once water serves this first purpose, it continues to flow downstream, then;
- 2) A portion of the released water is diverted by the SRSC's for use by farms and habitat in the Sacramento Valley. These districts and agencies will have their supplies reduced by 25 percent under their contracts this year. The districts will explore creative ways to maximize this water within the districts and agencies, they will work with Reclamation and fishery agencies to schedule water for the benefit of fish and birds, and they will work with neighbors to help provide water supplies during this challenging year. Most importantly, the SRSC's will re-time their diversions and operations to align diversions with fishery releases to maximize the





efficient operation of the CVP. Along with the SRSC diversions;

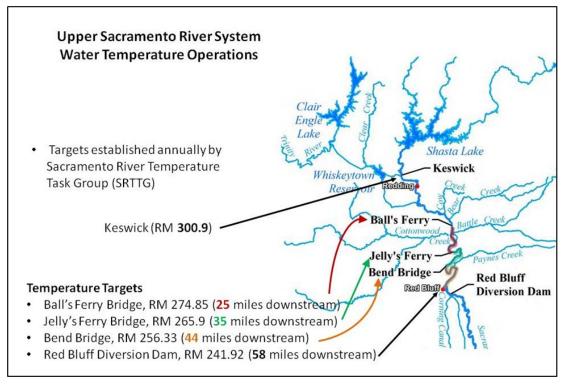
3) Water will be diverted for the Pacific Flyway and other bird habitat. Ricelands with the SRSC's service areas will be farmed to provide fall and winter food sources for the Pacific Flyway. Glenn-Colusa Irrigation District (GCID) will also deliver water to the three National Wildlife Refuges: Delevan, Sacramento and Colusa. The water thus serves millions of birds along the Pacific Flyway.

Water Flows into the Delta for Beneficial Purposes

During the summer months water is released from Shasta Lake to meet temperature requirements for salmonids in the Sacramento River above Red Bluff. A portion of this water is then diverted for various beneficial uses within the Sacramento Valley as described above. The water that is not diverted for beneficial uses within the Sacramento Valley flows into the Delta, where it will serve various beneficial purposes including salinity control, fisheries, in-delta needs, and other water uses under projects purposes as authorized by the SWRCB. Additionally, recognizing the water supply challenges in other parts of the state, including areas of the San Joaquin Valley that have no surface supplies, the SRSC's will forbear a small part of their overall water supplies to help meet these other demands for water. In return, the SRSC's will use the revenues from the forbearance to invest in local water supply infrastructure to provide water for fish, birds and farms.

Carryover Storage for Next Year

Under this operations scenario, there will be significant water in Lake Shasta at the end of the water year on September 30, 2014. With a base flow in the upper Sacramento River system above Lake Shasta of approximately 180,000 acre-feet per month (even without any precipitation in the fall and winter next year), and an operational commitment by Reclamation, NMFS, and the SRSC, there is a real opportunity to refill Lake Shasta with significant storage going into the 2015 water year. Reclamation and the Department of Water Resources (DWR) have estimated 1,100,000 acre-feet of storage in Lake Shasta at the end of the water year, which they have determined is adequate for health and safety supplies for both this year and 2015.



If you have any questions, please call Thad Bettner, Glenn-Colusa Irrigation District General Manager (530.934.8881) or Lewis Bair, Reclamation District General Manager (530.437.2221).



Managing the State Water Project in the Sacramento Valley

The Department of Water Resources (DWR) can operate the State Water Project (SWP) this year to serve multiple benefits (fish, farms and birds) in the Sacramento Valley; to provide water for various Delta purposes, and plan for next year's carryover storage, even if the next year is dry. This effort also requires close coordination with the Feather River Settlement Contractors (FRSC), whose water uses predated the SWP, to maximize the efficient operation of the SWP.

Current Hydrology

The storage in Lake Oroville is 1.87 million acre-feet (May 5), which is approximately 53% of capacity, with additional inflow for the remainder of the water year (through September) projected to be approximately 483,000 acre-feet. Based on conservative estimates, there is enough water available this year under DWR's operational plan to meet the various needs described below, plus plan for next year if dry.

Water Serves Triple Duty in the Sacramento Valley

As the diagram below shows, water released from Lake Oroville will serve triple duty:

- 1. A portion of the water is diverted from the Thermalito Afterbay by the FRSC for use by farms and habitat in the Sacramento Valley. Additional water is diverted by FRSC's further downstream. The districts will explore creative ways to maximize this water within the districts and agencies, they will work with DWR to schedule water for the benefit of the SWP and fish and birds, and they will work with neighbors to help provide water supplies during this challenging year.
- 2. Below Oroville, water is released for temperature control for salmon rearing in the Feather River. This satisfies the requirements in the 1983 DWR/California Department of Fish and Wildlife Agreement, the Federal Energy Regulatory Commission (FERC) license and the State Water Resources Control Board WQ 2010-0016. These releases also reflect the priority that the fishery agencies are placing on salmon for this year. Additionally, FRSC's and others have facilitated dam removals, installed fish screens and ladders as well as other fish passage improvements on nearby Butte Creek, which has contributed to a successful spring-run salmon program.
- 3. Water will be diverted for the Pacific Flyway and other bird habitat. Ricelands within the FRSC's service areas will be farmed to provide important food sources for the Pacific Flyway. Overall, rice provides nearly 60 percent of the
 - food for millions of migrating ducks and geese each winter. In addition to the delivery of water during the irrigation season, this habitat is also dependent upon the delivery of water in the fall to harvested rice fields, managed wetlands and National Wildlife Refuges and State Wildlife Areas. As examples, Biggs-West Gridley Water District delivers water to Gray Lodge Wildlife Area, Sutter Extension Water District delivers water to the Sutter National Wildlife Refuge, and **Richvale Irrigation District and Western Canal** Water District (WCWD) provide water for wetlands in the Upper Butte Basin Wildlife Area. The water thus serves millions of birds along the Pacific Flyway, which are viewable on the WCWD webcam at: http://westerncanal.com/ wildlife-rice-farming-webcam/.



Drought Planning

Water Flows into the Delta for Beneficial Purposes

All of the water released from Lake Oroville and not diverted by the FRSC's or delivered to refuges and wildlife areas in the Sacramento Valley, as described above, is available to serve various beneficial purposes downstream including the Delta. This includes salinity control, fisheries, in-delta needs, and other water uses under projects purposes as authorized by the SWRCB. Additionally, recognizing the water supply challenges in other parts of the state, including areas of the San Joaquin Valley that have no surface supplies, the FRSC's will forbear a small part of their overall water supplies to help meet these other demands for water. In return, the FRSC's will use the revenues from the forbearance to invest in local water supply infrastructure and to contain costs for landowners.



Carryover Storage for Next Year

Under the operations scenario, DWR and the Bureau of Reclamation have estimated 1,000,000 acre-feet of storage in Lake Oroville at the end of the water year, which they have publicly determined is adequate for health and safety supplies for both this year and 2015.

Regional Management Plan

As part of their ongoing efforts for progressive water management, the FRSC's are developing a Feather River Regional Agricultural Water Management Plan. This will include an inventory of surface water and groundwater supplies and uses and, through water balance analyses, will characterize the interaction between irrigated lands and underlying groundwater systems. It will also include analysis of opportunities to enhance regional water management and monitoring among the water agencies, as well as specific actions that the suppliers could take to enhance water management and monitoring both within their service areas and, collectively, within the region.

If you have any questions, please call Ted Trimble, Western Canal Water District General Manager (530.342.5083); Donnie Stinnett, Joint Water Districts Watermaster (530.846.3307); or Nicole Van Vleck, Garden Highway Mutual Water Company (530.674.2837).

State Water Resources Control Board Drought Actions

Delta Temporary Urgency Change Permits

The SWRCB Executive Director on May 2 issued an order in response to a petition filed jointly by DWR and Reclamation that requested specific modifications to DWR's and Reclamation's water rights for the State Water Project and the Central Valley Project. This allows DWR and Reclamation to conserve water in upstream storage for use later in the season to protect and improve water quality, maintain critical water supplies, and provide minimum flows for fisheries. The order does the following:

- * Allows a reduced level of Delta outflow during different months so that DWR and Reclamation can conserve water in upstream reservoirs;
- Requires that water saved as a result remain in storage to be released later in the season to protect and improve water quality, maintain critical water supplies, and provide minimum flows for fisheries;



- ✤ Requires that DWR and Reclamation report flows, storage and water deliveries;
- Provides flexibility to DWR and Reclamation to operate the Delta Cross Channel gates in consultation with the United States Fish and Wildlife Service (USFWS), National Marine Fisheries Service (NMFS) and California Department of Fish and Wildlife (CDFW) to conserve water and to minimize salinity intrusion from San Francisco Bay; and
- * Allows limited water exports from the Delta no greater than 1500 cubic feet per second.

The order is in effect until January 27, 2015, unless modified by the Executive Director.

Diversion Curtailments

The SWRCB on May 23 issued general curtailment orders to all post-1914 surface water rights holders in the Sacramento Valley that their right to withdraw water suspended when there isn't enough water in the system. "Based upon the most recent reservoir storage and inflow projections, along with forecasts for future precipitation events, the SWRCB has determined that the existing water supply in the Sacramento and San Joaquin River watersheds is insufficient to meet the needs of all water rights holders. With this notice, the SWRCB is notifying all holders of post-1914 appropriative water rights within the Sacramento and San Joaquin River watersheds of the need to immediately stop diverting under their post-1914 water rights, with the exceptions discussed below. This condition of curtailment will continue until water conditions improve. Even if there is water physically available at your point of diversion, that water is necessary to meet senior water right holders' needs or is water released from storage that you are not entitled to divert. If precipitation occurs in the following weeks or months, you should not commence diversion before being notified by the SWRCB that water is legally available for diversion under your priority of right."

"Curtailed post-1914 diverters are required to document receipt of this notice by completing an online Curtailment Certification Form (Form) within seven days. The Form confirms cessation of diversion under the specific post-1914 water right, and, if applicable, identifies the alternate water supply to be used in lieu of the curtailed water right." Alternative supplies may include the following listed on the SWRCB website:

- * The State Water Resources Control Board may consider needs for limited diversions for public health and safety needs where there is no other water supply available for emergency human health, sanitation and safety needs;
- Diversions for hydropower generation, where all water is returned to the stream, may continue during curtailment;
- * The curtailment notice does not affect water delivered by contract from state, federal or local agencies, unless the curtailment prevents an agency's ability to divert water under its water right. Contracts using water withdrawn from reservoir storage that had been collected prior to the curtailment are not affected."

The notice also warned that pre-1914 and riparian's may also be curtailed in mid-June (see the SWRCB website at: <u>http://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/analysis/sacramento_sanjoaquin.shtml</u>. There is also a complaint process on line that water users can use with respect to water right holders illegally diverting water this year.

The SWRCB imposed Term 91 on May 18 to protect storage releases from the SWP and CVP. The SWRCB will consider further emergency regulations for curtailments in June.

Curtailments for Fish - Sacramento River Tributaries

The SWRCB on May 22 adopted Resolution No. 2014-0023 for Emergency Regulations for Curtailment of Diversions Due To Insufficient Flow for Specific Fisheries. The regulation would provide that diversions from Mill, Deer and Antelope creeks are unreasonable if those diversions would cause flows to drop below the specified minimums. Under the regulation, such diversions would be curtailed as appropriate to maintain those minimum flows, with the exception of diversions necessary for minimum health and safety needs. These regulations will only go into effect if the SWRCB Executive Director determines that there are not agreements between diverters and the National Marine Fisheries and California Department of Fish and Wildlife. There are currently such agreements on Antelope and Mill Creeks.





DIMARE, VAN VLECK & BROWN LLC GOVERNMENTAL RELATIONS & COMMUNICATIONS

The War of the Water Bonds

God has cared for these trees, saved them from drought, disease, avalanches, and a thousand tempests and floods. But he cannot save them from fools."- John Muir

Don't even try to count the number of water bond bills that have been introduced in the Legislature this year. It will make your head spin, and since ours is already spinning, we will fill you in the best we can. There are eight. Out of those eight, four are moving through the process.

Considering the voters are already facing a water bond on the November ballot that would generate \$11.1 billion in bond moneys for various water projects, it is peculiar from an outside perspective why the Legislature would want to re-negotiate something to which everyone agreed.

It's not as simple as that, and frankly, going back to the drawing board and re-working the details of an alternative makes sense and here's why. First off, the bond on the ballot now was passed in 2009 and has since been postponed two times. Back then, it had the approval of Governor Schwarzenegger and a legislature that is either termed out or has since moved on. The ownership of those negotiations rest solely on those outside interest groups who were a part of the process, including NCWA. It would be politically effortless to send a message to voters from those opposing the current bond to say, "This is *not* this Legislature's bond. It was passed by a Governor no longer in office, a Legislature that has since been long gone and it's full of special interest pork. Vote no."



Then there's the price tag issue. Earlier this year, the Governor and legislative leaders promised to pass a bond that was less pricey. There was polling that showed \$11.1 billion is too much voters from a cash-strapped state just bouncing back from a hard hit economy. We heard signals from Governor Brown's Administration and Legislative leaders that a more modest bond would be more palatable and would likely pass.

Then the rains didn't come. And aside from a few showers here and there, California went dry. Here we are in the middle of the worst drought in record-keeping history with our biggest reservoir being our snow pack. Now is the time to acknowledge and work towards more storage for California. As the dry months continue and as people throughout the state are facing mandatory water rationings, the sentiment continues to grow for the passage of a water bond, irrespective of cost. So where does this leave us in the legislative process and what do NCWA members want out of the deal? Bottom line: if our priorities are not outlined in an alternative bond, we oppose those efforts and put our weight behind the existing bond.

NCWA has taken official positions on all of the bond proposals based on our guiding principles:

1. We must ensure water rights and areas of origin protections are expressly protected in any bond. We our members know, they provide the stability necessary for the state and federal administrations to solve this crisis into the future. Fortunately, all eight bond proposals contain some form of water rights protections.

2. NCWA also supports new statewide water supplies. We support \$3 billion for surface storage if those projects are linked to the improvement of the Delta and its tributaries. This is a vital component to any water bond deal as it creates the precedence of a statewide benefit. If those surface storage monies are not tied to Delta improvements, storage projects become competitive at a regional level, severely limiting the ability of Sites Reservoir ever getting



By Amy Brown



built. NCWA also supports the project revenue to be continuously appropriated and not approved on a yearly basis by the Legislature. Back in 2009, the comprehensive policy bills that were being debated and negotiated along side the bond, and were ultimately signed called for the surface storage funding to be privately invested to the tune of 75 percent of the total cost of the project. If those storage funds are not continuously appropriated, the private investment commitments will vanish.

3. NCWA also supports groundwater sustainability. The \$11.1 bond on the current ballot has revenues allocated for groundwater storage projects. We support the continued allocation of groundwater reliability and sustainability. (For a complete discussion on groundwater, see page 18.)

4. Lastly, NCWA supports funding for the migratory corridors of for the ecosystem. From a Northern California perspective, salmon and steelhead, and birds along the Pacific Flyway must be protected.

Based on those principles, there are six bond proposals NCWA supports and two we oppose. Not all six proposals are still active. In fact, Assembly Member Logue introduced his bond bill, AB 1445, which would have called for \$5 billion for surface storage projects that have a statewide benefit. Assembly Member Logue shelved his efforts due to severe opposition from the Assembly Water Parks & Wildlife Committee and graciously signed on as a coauthor to Assembly Democrat Henry Perea's AB 2686, which calls for \$3 billion for statewide surface storage projects, groundwater sustainability, and solid protections for water rights and areas of origin. Shelving a bill which would bring \$5 billion for storage projects is a difficult decision to make, but we thank Assembly Member Logue for reaching across party lines in an effort to work towards a viable solution for NCWA and its region.



In terms of timing, the Legislature has a little less than 2

months to come up with an alternative to the \$11.1 billion bond. They need to vote to pull off the existing bond and replace it with an alternative. Now, it goes without pointing out the fact that not all eight bond proposals will be approved. If there is a deal to be made, that deal will be placed in one bond, which will require two-thirds of the Legislature's approval – that means perhaps a handful of Republicans in both houses will be needed due to the adamant opposition of any bond that calls for surface storage from some of the Democrats who have strong environmental and liberal convictions.

Two months doesn't seem like a long time to cut a deal, but in legislative time, that could mean an entire shift in thinking about water policy in California as a whole. NCWA members must continue to voice the importance of the principles outlined above, even if it does mean you start sounding like a broken record. Trust us; we know exactly how that feels, having given the same speech in our sleep.

Water Bond Comparison

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	5		Water Bond Comparison		
	Clean and Safe Drinking Water	Protecting Rivers, Coast & Watersheds	Regional Water Projects	Delta Sustainability	Water Storage
AB 1331 (Rendon) \$8 Billion	5) \$1 Billion	6) \$1.5 Billion	7) \$2 Billion	8) \$1 Billion	9) \$2.5 Billion
Amended May 8	Small Community Wastewater \$400M	Funding for 9 Conservancies,	IRWM (\$1B, allocated by region)	Delta Levees \$400M	CALFED Surface Storage Projects
	Emergency Clean Water \$100M	Wildlife Conservation Board, and	Recycled Water, Desal \$500M	Ecosystem Restoration &	Groundwater Storage and Clean-up
	Disadvantaged Communities \$400M	Ocean Protection Council \$750M	Conservation \$250M	Delta Sustainability \$600M	Conjunctive Use and Reservoir Re-op
	Groundwater Clean-up \$100M	State Obligations \$500M	Stormwater \$250M	Silent on BDCP	Local and Regional Surface Storage
		Urban Watersheds and Rivers \$250M			Restore existing storage Capacity (sediment, seismic)
					Non-CALFED Surface Storage Feasibility Studies \$25M
					3 Public Benefits: Ecosystem, Water Quality,
					Flood Control + Response to Declared Emergencies
en ava (vicili) és aze nillia				el ét a billion	
Amended February 20	Trinking Water Treatment CONN	state Obligations & OM	3) 32 Dimon IRWM (\$1.48 allocated by region)	Delta Concervancy \$800M	storade Projects \$18
	Small Community Mastewater ShonM	Funding for 9 Concernancies	IRWIM Innovation \$100M	*at least \$500M for water guality	*CALEED Surface Storage Droients
	Disation to an American Communities of ADMA	Mildlife Concernation Doced and		at reast yourist for watch quality	Cherter Juriace Juvi age Frugeus *Cronsdirator Staroon and Class up
	Disauvaikageu Communes Studin	Wildlife Collservation Doard, and			*Conjugated to and Propriet Point
		Urban Watersneds \$250M		Silent on BUCP	* Reservoir Sediment Removal
					* Reduce Delta Exports * Recycled Water Storage
		Resource Conservation Districts \$301M			NON-CALFEU SURFACE STORAGE FEASIONINY STUDIES 223M
		Agricultural Runoff \$25M			3 Public Benefits: Ecosystem, Water Quality, Flood
	1	14 de			No Continuous Appropriation
AB 2686 (Perea, Logue Gray, and Salas) Unspecified	Chapters on:	6) \$1.5 Billion	Chapters on:	8) 52.25 Billion (unallocated)	9) \$3 Billion
Amended May 1	5) Safe Drinking Water 51B	State Obligations \$500M	/) Regional Water Security (IRWM) \$1.5B	Delta Levees	CALFED Surface Storage Projects
Addti Co-authors: Canella, Bigelow	*Small community wastewater \$200M	Funding for 9 conservancies,	TU) Water Recycling 5	Ecosystem Restoration	Groundwater storage and clean-up
	*Emergency Clean Water \$100M	Wildlife Conservation Board, and		Delta Sustainability	Conjunctive Use and Reservoir Re-op
	"Disadvantaged communities \$400M	Ucean Protection Council		Silent on BUCP	Local and Regional Surrace Storage
	Research and Education \$50M	Urban Creeks, Watersheds, and Rivers \$250M			5 Public Benefits: Ecosystem, Water Quality,
	11) Groundwater \$ 1B				Flood Control, Emergency Response, Recreation
AB 2013 (Birelow and Conway) ¢7 935 Billion	a) ¢800 Million	None	Chanters on:	7) ¢1 5 Billion	Continuados Appropriación 8) ¢3 Billion
Introduced Fahron 20	of yood minutes	Manager about a	CV Devices One	Formation Protoction (Faltaneous at	CALEED Evidence Projects
introaucea rebruary zu		No separate chapter.	ס) אפניניל אווא (וואטאון) איז	Ecosystem Protection/Ennancement	CALFED SUFFACE STOFAGE Projects
	Water Quality Bosinuido Bomodiation / Close un \$100M	Liements may be contained in other) Urougnt Keller Soussilvi 10/ Mistor Bounding Concernation	Replaces reference to BUCP With	Growing water storage and clean-up
		cnapters.	LU) Water Recycling, Conservation,	reference to co-Equal Goals (WC 85020)	
	Disadvantaged Communities \$100M		and Efficiency 21.05B		Local and Regional Surface Storage
					u rubic periencs, ecosystem, water quanty, Flood Control Emericance Periodica
					Continuous Appropriation
SB 1250 (Hueso) \$10.15 Billion	Chapters on:	9) \$1.3 Billion	Chapters on:	7) \$2.25 Billion	8) \$3 Billion
Amended May 7	5) Safe Drinking Water \$900M	State Obligations \$500M	6) Regional Water Reliability (IRWM) \$1.35B	Delta Sustainability \$750M	CALFED Surface Storage Projects
	*Small Community Wastewater \$400M	Stormwater \$250M	11) Water Recycling \$500M	Ecosystem Protection/Enhancement \$1.5B	Groundwater storage and clean-up
	*Emergency Clean Water \$100M	Funding for 9 Conservancies,	12) Conservation \$250M	*including BDCP	Conjunctive Use and Reservoir Re-op
	* Disadvantaged Communities \$400M	Wildlife Conservation Board, and	13) Local and Regional Storage \$100M		Local and Regional Surface Storage
	10) Groundwater \$500M	Ocean Protection Council \$550M	* Continuous Appropriation to DWR		Non-CALFED Surface Storage Feasibility Studies \$25M
					5 Public Benefits: Ecosystem, Water Quality,
					Flood Control, Emergency Response, Recreation
SBVT 2 (Condill) \$11.14 Billion	101 \$1 Billion	a) ¢1 795 Billion	Chanton on	7) 63 35 Billion	continuous Appropriation
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2003 Water Borid	Mater Onality	Funding for 4 conservaticies 6 Watershed Projects or Programs	o) negional yvater Reliability (irvvivi) 51.46 5) Drought Relief \$455M	Detta sustaintability 5/50Mi Ecosystem Protection/Enhancement \$1.5B	CALTED SURIACE SCORER PROJECTS Groundwater storage and clean-up
	Basinwide Remediation/ Clean-up \$100M	10 additional projects/brograms including:	11) Water Recycling and Conservation \$1.25B	*including BDCP	Conjunctive Use and Reservoir Re-op
	Disadvantaged Communities \$100M	*Habitat Restoration/Preservation	-	5	Local and Regional Surface Storage
		*Dam Removal *Salton Sea Restoration			5 Public Benefits: Ecosystem, Water Quality,
		*Urban Parkways and Streams			Flood Control, Emergency Response, Recreation
		*Ag water use Emiciency Research			Continuous Appropriation

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Capitol View







NSWA Bond Priorities

SEEKING SOLUTIONS FOR FUTURE DROUGHTS IN CALIFORNIA WATER BOND PRIORITIES FOR NORTHERN CALIFORNIA THE NORTH STATE WATER ALLIANCE APRIL 2014

The three-year drought in California has significantly impacted the economy and environment. To help avoid these impacts in the future, Northern California believes there are two important priority elements to the water bond: 1) water rights policies; and 2) public benefits that should be funded through the general obligation bond.

WATER RIGHTS – THE FOUNDATION FOR THE ECONOMY AND THE ENVIRONMENT. The existing water rights language in Chapter 4 (§79713) of the bond must be retained. Water rights and contracts are the foundation for water operations in California and provide the stability necessary for the state and federal administrations to solve this crisis and future droughts.

NEW WATER SUPPLIES - STATEWIDE WATER SYSTEM OPERATIONAL

IMPROVEMENT. The language in Chapter 8 of the current bond continuously appropriating \$3 billion to fund the public benefits associated with water storage projects that improve the operation of the state water system is critical to advancing "water supply reliability" throughout the state, particularly during dry periods. Funding "smart storage" projects with dedicated environmental benefits and yield, such as the proposed Sites Reservoir, would give state and federal agencies greater flexibility to manage water during dry periods.

GROUNDWATER SUSTAINABILITY AND SAFE DRINKING WATER SUPPLIES – A KEY ELEMENT IN DROUGHT RESILIENCY. The current bond identifies

funding in Chapter 8 for "groundwater storage projects" and Chapter 10 for "projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water." A water bond should fund projects through both of these chapters that contribute to groundwater as a component of a sustainable and reliable water supply, including groundwater recharge, storage and extraction, as well as safe drinking water for all Californians.

URBAN WATER MANAGEMENT – A WAY OF LIFE. The current bond contains several provisions to improve water management in urban areas during dry years. More specifically, the bond should dedicate funding for: 1) conservation as a way of life; 2) water recycling projects (currently Chapter 11); and 3) stormwater management. These are all important public benefits and the projects and programs will maximize statewide water savings.

SALMON AND BIRDS - MIGRATORY CORRIDORS FOR THE

ECOSYSTEM. The bond in Chapter 9 focuses on ecosystem and watershed protection and restoration. From a Northern California perspective, we urge the bond emphasize migratory corridors that need immediate assistance, including 1) salmon and steelhead (possibly in §79755(c)) and 2) water supplies for birds along the Pacific Flyway as called for in §79755(b).



Groundwater

Governor's Statements/Budget

In his January 2014 State of the State address, the Governor stated that "right now, it is imperative that we do everything possible to mitigate the effects of the drought... As the State Water Action Plan lays out, water recycling, expanded storage and serious groundwater management must all be part of the mix. So too must be investments in safe drinking water, particularly in disadvantaged communities."

The Governor's California Water Action Plan calls for more surface and groundwater storage and then adds "moreover, we must better manage our groundwater basins to reverse alarming declines in groundwater levels. Continued declines in groundwater levels could lead to irreversible land subsidence, poor water quality, reduced surface flows, ecosystem impacts, and the permanent loss of capacity to store water as groundwater."

In his recent budget revision, the Governor added: "The May Revision builds upon the Water Action Plan and actions proposed in the Governor's Budget to better manage groundwater. The Governor's Budget proposed \$2.9 million General Fund for the Department of Water Resources to collect and update groundwater data and information, as well as \$1.9 million General Fund for the State Water Resources Control Board to act as a backstop when local or regional agencies are unable or unwilling to sustainably manage groundwater basins.

Groundwater accounts for more than one-third of the water used by cities and farms and much more in dry years when other sources are reduced. Some of California's groundwater basins are sustainably managed, but many are not. Inconsistent and inadequate tools, resources, and authorities make managing groundwater difficult in California and impede the state's ability to address problems such as overdraft, seawater intrusion, land subsidence, and water quality degradation. Groundwater extraction, in excess of recharge, results in declining groundwater levels, increasing energy demand and pumping costs, and may contribute to stream flow depletion and declining ecosystem conditions. Excessive



groundwater pumping can also mobilize toxins and cause irreversible land subsidence, which damages infrastructure and diminishes future aquifer storage capacity. The strategies identified in the Water Action Plan are intended to address these challenges and move California toward more sustainable management of the state's groundwater resources. When properly managed, groundwater resources can provide a reliable and valuable water supply to communities, farms, and the environment." The following adjustments were described in the budget:

- Sustainable Groundwater Management Program Groundwater resources are most effectively managed at the local and regional level, and the state's role should be to provide guidance, tools, and resources to local and regional entities to assist them in management of local groundwater basins. An increase of \$2.5 million General Fund in 2014-15 and \$5 million annually for four additional years to support local groundwater management efforts, including:
 - Planning and Oversight Assess the status of groundwater basins; develop groundwater basin sustainability metrics; track development and implementation of groundwater monitoring programs by local agencies; and review and assess groundwater plans developed by local agencies.
 - Local and Regional Technical Assistance Offer technical assistance, including guidance and tools for local and regional agencies related to: collecting and reporting local groundwater data, preparing and updating groundwater management plans, assessing the status of local groundwater basins, establishing appropriate and effective groundwater governance, preparing local groundwater basin water budgets to determine sustainable yield, and forming governance structures for managing groundwater basins."



On May 9, 2014, a broad group of agricultural organizations sent a letter to the Governor. "We appreciate the steps you have taken to mitigate the effects of the drought on California's farmers and ranchers. As you know, the drought has created a new sense of urgency among many legislators to act on water issues generally and groundwater especially. Rushed legislation would be a grave mistake. In complex areas of California law and policy, the desire to make change must be tempered by deliberation, a thorough understanding of consequences and a public process that inspires confidence in the new laws. Proposals to fundamentally change California's approach to groundwater management are no exception. We respectfully caution that enacting policy legislation in this area *as part of the state budget package* would conflict with these principles of

We understand that a crisis tends to focus attention, but there is no good reason to rush groundwater legislation. Current discussions are proof that the urge to do something in a crisis can become unwisely disconnected from contributing factors that demand equal attention."

sound public process, and we are very concerned about the likely response by farmers and ranchers to such rushed action.

On May 22, the administration released its draft groundwater management bill language. The draft language and summary document are available at: <u>www.groundwater.ca.gov</u>

Statewide Reports

A series of reports and policy platforms will inform the groundwater discourse in California this year. This includes:

> The California Water Foundation, with Lester Snow as the lead convener, has prepared "Recommendations for Sustainable Groundwater Management." The report recognizes that groundwater is one of California's most important drought buffers, and critical to a sustainable future. The report makes seven specific recommendations that include: 1) Adopt a definition of sustainable groundwater management; 2)



Regional Sustainability

Develop a prioritized statewide program covering all sub-basins; 3) Establish local groundwater management entities; 4) Provide local groundwater management entities with sufficient groundwater management authorities; 5) Require local sustainable groundwater management plans; 6) Establish a clear and coordinated state role for assistance, oversight and enforcement; and 7) Provide funding for groundwater management.

- The Association of California Water Agencies (ACWA) in April issued "Recommendations for Achieving Groundwater Sustainability." The recommendations call for the following: 1) New uniform requirements for groundwater management planning and performance reporting; 2)Adoption of a new definition of "sustainable groundwater management" in state law; 3) A menu of best management practices for implementing groundwater management plans; 4) New tools and authorities for local groundwater management agencies; 5) New state administrative measures to ensure local groundwater management accountability; 6) A funding approach to support local capacity building and implementation; 7) Comprehensive state action to remove impediments to surface water supply reliability.
- The Groundwater Resources Association (GRA) also provided recommendations for sustainable groundwater management in response to the Administration's solicitation for input and information to develop proposed solutions to accomplish Sustainable Groundwater Management. The California Water Action Plan highlights the challenges for



managing the State's water resources and outlines a series of strategic goals and actions, including the following specific groundwater actions: 1) Provide essential date to enable sustainable groundwater management; 2) Support funding partnerships for storage projects; 3) Update DWR bulletin 118, California's Groundwater Plan; 4) Improve sustainable groundwater management; 5) Support distributed groundwater storage; 6) Increase statewide groundwater recharge; and 7) Accelerate clean-up of contaminated groundwater and prevent future contamination.

Regional Sustainability

There are many common themes in these reports that will guide the public policy discourse in 2014.

Northern California Perspective

With the various flurries of activities surrounding groundwater in California, NCWA has assembled a Sacramento Valley groundwater advisory group to address the various groundwater issues facing the Sacramento Valley and the opportunities to actively manage groundwater resources. To build a strong platform for the legislative discussion and active groundwater management in the region, we are preparing the following reports, which will all be completed this summer.

- An Assessment of Sacramento Valley's Groundwater Resources. McCauley Water Resources and Davids Engineering are preparing an overview of the Sacramento Valley's groundwater resources and the evolving efforts to better understand and actively manage the resources to provide sustainable benefits for the Sacramento Valley and for California. The report will also provide a discussion of active management successes, long-term vulnerabilities and recommendations for the future.
- Groundwater Quality Assessment Report. CH2MHill is working on a Groundwater Quality Assessment Report (GQAR) that is being developed for the Sacramento Valley, which will provide water resources managers and the leaders in the Sacramento Valley Water Quality Coalition with an assessment of groundwater quality in the region. The GQAR will support the Central Valley Regional Water Quality Control Board's Waste Discharge Requirements for the Long-Term Irrigated Lands Program and the Central Valley SALTS Basin Plan process.
- Roles and Responsibilities. For the Sacramento Valley, Somach, Simmons and Dunn will explore the respective roles and responsibilities for water agencies, local governments and the state with respect to groundwater management and regulation.
- Antidegradation. Bruce, working with the Sacramento Valley Water Quality Coalition, is developing an approach for antidegradation in the Sacramento Valley. This approach will utilize the state policy on antidegradation and help determine how to best apply it to the Sacramento Valley in a way that works for the region and will withstand legal challenges.
- Surface/Groundwater Interaction. We continue to work with the Nature Conservancy and its technical team to better understand the important interaction of surface and groundwater in the Sacramento Valley and how we can manage water resources for sustainability described in our earlier report on regional sustainability.

State Legislation

There are two bills that have been introduced with respect to groundwater management. This includes:



SB 1168 (Pavley). This bill would enact the Sustainable Groundwater Management Act, and would state as the intent of the Legislature that all groundwater basins and subbasins shall be managed sustainably by local entities pursuant to an adopted sustainable groundwater management plan. This bill would authorize entities to develop a sustainable groundwater management plan, defined as a document that describes the activities intended to be included in a groundwater management program, to be developed and adopted to encompass an entire basin or subbasin in an unspecified manner, and according to an unspecified schedule.





AB 1739 (Dickinson). This bill would require a sustainable groundwater management plan to be adopted for each high or medium priority groundwater basin by any groundwater management agency. This bill would require a sustainable groundwater management plan to contain sustainable groundwater management objectives to achieve sustainable groundwater management in the groundwater basin within 20 years of the implementation of the plan, but would allow DWR to grant an extension beyond 20 years to 30 years based on groundwater basin circumstances. This bill would require a sustainable groundwater management plan to be submitted by the groundwater management agency to DWR for technical review. It would also prohibit the extraction of groundwater within a groundwater basin for new commercial, multifamily residential, or industrial development, except for the use of a single-family domestic well, unless the groundwater basin has a sustainable groundwater management plan.

Regulatory Arena

SWRCB Groundwater Concept Paper. The SWRCB issued its concept paper last year regarding groundwater. NCWA provided comments to the SWRCB in December 2013.

Regional Board Irrigated Lands Regulatory Program. The Sacramento Valley Water Quality Coalition and the California Rice Commission have new waste discharge requirements as part of the Irrigated Lands Regulatory Program. This includes groundwater quality. The Groundwater Quality Assessment Report described above will inform this regulatory program that will be more fully developed over the next several years.

Water Quality

Regional Board Adopts New Irrigated Lands Program for Sacramento Valley

On March 12 the Central Valley Regional Water Quality Control Board (Regional Water Board) adopted new requirements for irrigated lands in the Sacramento Valley. In adopting the new regulatory requirements for the Sacramento Valley, the Regional Water Board members also acknowledged that the extraordinary hardships faced by agriculture from the drought may require some flexibility in implementing the new program.

The new requirements, known as a Waste Discharge Requirements (WDR) Order are the culmination of nearly two years of negotiation between the Sacramento Valley Water Quality Coalition (Coalition) leadership and Regional Water Board staff. As a result the Coalition's Order is the only one in the Central Valley Region to include a Reduced Monitoring and Management Practices Verification alternative, which provides the opportunity to reduce the frequency of surface water quality monitoring to every five (5) years in areas with a low threat of pesticide discharges from irrigated agriculture when it is demonstrated that management practices used by growers are protective of water quality. This will enable some subwatersheds of the Coalition to reduce costs for growers.

On April 10, NCWA submitted a request to be designated the third party entity by the Regional Water Board.

The Regional Water Board members also expressed sensitivity to balancing increased costs related to grower reporting requirements and groundwater quality monitoring with surface water monitoring requirements.

Sportsfishing Protection Alliance Petitions State Board to Consider Sacramento Valley WDR

Beginning with the Central Valley Regional Water Quality Control Board's (Regional Water Board) adoption of the Eastern San Joaquin WDR in December 2012, the California Sportfishing Protection Alliance in early April, petitioned the State Water Board to take up the Regional Water Board's adoption of the Sacramento Valley WDR. Stating that, "continuing the existing Coalition-based irrigated lands discharge program is inconsistent with applicable law and State Board policies, including the



State of California's antidegradation policy, or 'Statement of Policy With Respect to Maintaining High Quality of Waters in California', Resolution 68-16 ("Antidegradation Policy") and the State Board's Policy for Implementation and Enforcement of the Nonpoint Source Pollution Control Program ("NPS Policy")," CSPA and the California Water Impact Network (C-WIN) requested the State Water Board issue an order vacating the Regional Water Board's action (R5-2014-0030) to adopt the General Order for the Sacramento Valley.

As justification CPSA and C-WIN The State Water Board has yet to decide if it will take up the Regional Water Board's approval of the Eastern San Joaquin WDR.



Groundwater Quality Assessment Identifies Areas Where Focused Action Needed

Work will wrap up on one of the crucial documents for determining the extent and scope of groundwater quality actions that will be required of the Sacramento Valley Water Quality Coalition (Coalition) as part of the new Irrigated Lands Regulatory Program (ILRP). The Groundwater Quality Assessment Report (GAR) as required by the Central Valley Regional Water Quality Control Board (Regional Water Board) for all new Waste Discharge Requirements (WDR) General Orders adopted to cover irrigated agricultural lands, will identify groundwater areas considered to have high vulnerability to impacts from irrigated agriculture, as well as areas considered to have low vulnerability or data gap.

The GAR will be a baseline document that provides the foundation and framework for the long-term program of monitoring and implementation that is required under the ILRP, including a Groundwater Quality Trend Monitoring Program and, where required in high vulnerability areas, Management Practices Evaluation Programs (MPEP). The GAR is to be considered a regional-level analysis designed to aid in the initial prioritization of water quality monitoring and implementation activities.

The information and framework is being developed by CH2M Hill and will be completed in June 2014. Groundwater quality vulnerability, which will be based on analysis of groundwater quality data in conjunction with hydrogeologic, agronomic, soil, land use, and geographic analysis data.

The GAR is required to be updated every 5 years, based on data collected during the early phase of ILRP implementation. Monitoring programs will be adaptively managed to ensure effective and efficient use of water quality monitoring and implementation.

Expert Panel Begins Evaluation of Nitrate Control Programs

The State Water Resources Control Board (State Water Board) has convened an eight member <u>Expert Panel</u> to assess existing agricultural nitrate control programs and develop recommendations, if needed, to ensure that ongoing efforts are protective of groundwater supply quality. The Expert Panel kicked off a weeklong series of public meetings the week of May 5 to receive comments on 1) How can risk to or vulnerability of groundwater best be determined in the context of a regulatory program such as the Irrigated Lands Regulatory Program (ILRP)?; 2) If the application and use of management practices is a cost effective means of reducing nitrogen loading?; 3) What measurements can be used to verify that the implementations of management practices for nitrogen are as effective as possible?; and 4) Evaluate and make recommendations on the reporting requirements to report budgeting and recording of nitrogen application on a management block basis versus reporting aggregated numbers on a nitrate loading risk unit level.



Regional IRWMP's

American River Basin Integrated Regional Water Management Plan

The RWA Board adopted the American River Basin IRWMP Update on July 11, 2013. During the past quarter, the Dry Creek Conservancy adopted the ARB IRWMP bringing the total of additional stakeholder groups adopting the ARB IRWMP to seven. Additionally, 44 new projects were added to the ARB IRWMP bringing the total projects in the plan to 228. The final ARB IRWMP and all projects are available on-line http://irwm.rmcwater.com/rwa/login.php.

Northern Sacramento Valley Integrated Regional Water Management Plan

At their September 9, 2013 meeting the Northern Sacramento Valley Integrated Regional Water Management Plan (NSV IRWMP) Board of Directors (Board) voted to:

- Approve the recommendations of the Project Review subcommittee and the NSV Technical Advisory Committee (TAC) regarding public comments made to the draft chapters
- Release the revised NSV IRWMP chapters as the Public Review Draft NSV IRWMP
- Approve the Updated Project Schedule/Timeline for completion of the NSV IRWMP project

The Public Review Draft was circulated with a deadline for public comments of October 9, 2013. At the November 21, NSV TAC meeting the group addressed all potential amendments to the Public Review Draft specifically those associated with climate change and other language to address modifications to the DWR guidelines for the program.

At the December 2, 2013 NSV Board meeting, representatives from Glenn and Colusa County voiced concerns regarding certain aspects of the plan and the Board failed to adopt it. Instead the Board accepted 118 new comments regarding the plan from the Glenn/Colusa contingency. After several conference calls involving the Project Review Subcommittee, the majority of their concerns were addressed.

When the NSV Plan came before the Board again on March 3, 2014, it was approved unanimously by the Board, with the caveat that the PRS would take one last peek at the water supply sensitivity to climate change discussion in Chapter 4 of the document. The PRS revised the language in this regard and the revisions went before the NSV TAC on March 20 for a recommendation to the NSV Board. At a special meeting of the Board on April 14, 2014, the NSV Board voted unanimously to approve and support the revised NSV IRWMP and directed staff to move it forward for compliance review by DWR.

For further information about the NSV IRWMP please visit the website at: <u>www.nsvwaterplan.org</u> or contact Vickie Newlin at: <u>vnewlin@buttecounty.net</u>.

Westside Integrated Regional Water Management Plan

The Westside IRWMP is preparing to submit projects to DWR for the drought funding solicitation. The Coordinating Committee will be meeting on May 8th to determine which drought preparedness projects will be included in the grant application. Coordinating Committee member will be attending the May 12 PSP/Guidelines workshop in Sacramento and will lobby to extend the application deadline to 45 days after the final PSP/Guidelines are released instead of the currently proposed 30 days.

There is open enrollment for all non-drought projects in the Westside Region, more information can be found at: <u>www.westsideirwm.com</u>



Yuba Regional Water Management Group Integrated Regional Water Management Plan

The Yuba Region met on May 21 to continue work on our IRWM Plan Update. This meeting focused on the projects that are proposed for inclusion in the Plan, as well as on making the decision as to whether to pursue drought-related funding through DWR. Group members reviewed project solicitation forms ahead of the meeting and made note of any questions or comments in a Project Comment Review Table. During the meeting, project sponsors made brief presentations on each project, with time for questions for clarification from group members. The group decided that all would be included in the 'suite' of projects that will be included in the plan.

The group then reviewed a draft "Drought Project" list against key scoring criteria from the DWR 2014 IRWM Drought PSP to determine whether the candidate projects were consistent with the scoring criteria, and several of the projects were determined to be consistent with the priorities and preferences of the Drought PSP. Next steps are to determine which of these projects are most consistent (and therefore, most competitive), and how the application will be prepared in terms of financing, lead applicant, and application preparer.

The next meeting of the Yuba Regional Water Management Group is scheduled for June 25. For more information, please see www.yubairwimp.org.





Inside the Beltway

Water Storage

Congress has been active on several fronts in support of financing and funding for surface water storage projects in the West. Not only have Reps. Doug LaMalfa and John Garamendi introduced legislation, H.R. 4300, to authorize federal participation in Sites Reservoir, but



House Resources Committee Chairman Doc Hastings (R-WA), has indicated his intent to move water storage legislation that would streamline the planning, designing and constructing surface water storage (with Federal assistance) as well as provide some Federal financing options that currently do not exist. All of this, in combination with an announcement of a bipartisan deal on the long-awaited Water Resources Reform and Development Act (WRRDA), bodes well for action in the coming months on important water resources legislation.

Water Resource Reform and Development Act (WRRDA)

As noted above, a House/Senate Conference Committee negotiating differences between the Senate- and House-passed versions of the Water Resource Reform and Development Act (WRRDA) bills for the past six months, today, Thursday, May 15, released the details of the deal that has been struck on the on the final bill, including the <u>legislative text</u>, a <u>section-by-</u><u>section summary</u>, and <u>a short summary prepared by senior Senate conferees</u>.

The final bill authorizes new projects for the Army Corps of Engineers to study and construct only if a "Chief's Report," or feasibility study, has been filed with Congress. This way, new projects can be authorized without breaking the earmark ban Congress set for itself several years ago, by recognizing a Chief's Report as a request from the Administration, and, therefore, exempting the project from being classified as a congressional earmark. The bill also includes a provision known as the Water Infrastructure Finance and Innovation Act (WIFIA) pilot program. Having a WIFIA pilot in the final bill attests to the interest in Congress to create additional financing mechanisms to fund water infrastructure projects that are innovative and result in minimal cost to the Treasury (as the WIFIA concept is envisioned to accomplish).

The House passed the conference report by a vote of 412-4 on May 20 and the Senate passed it on May 22 with a vote of 91-7.

Sacramento Valley Water Storage and Restoration Act, H.R. 4300

On March 26th, Reps. LaMalfa and Garamendi introduced <u>H.R. 4300</u>, the Sacramento Valley Water Storage and Restoration Act. The bill, which has since picked up support from Reps. Ken Calvert and Jim Costa, directs the federal government to support the construction of Sites Reservoir, a water storage project that is projected to yield approximately 500,000 acre-feet of water annually and would increase the amount of water that can be stored north of the Delta from one year to the next by approximately 1,300,000 acre-feet (1,000,000 acre-feet in Sites Reservoir and another 300,000 acre-feet of water, due to coordinated operations and integration efficiencies, that can be stored in the existing Trinity, Shasta, Oroville and Folsom reservoirs). *The Sites Project has the largest projected water yield of any reservoir currently under review anywhere in the State of California.*

H.R. 4300:

- ✤ requires the completion of the final federal feasibility study and environmental impact statement for the Sites Project no later than June 30, 2015;
- pending a favorable recommendation in the final feasibility study, authorizes the Bureau of Reclamation to construct the Sites Project;
- ✤ authorizes the Bureau of Reclamation (as an alternative to the Bureau of Reclamation constructing) to support the construction of Sites Reservoir as a non-Federal Project,



By Roger Gwinn



Inside the Beltway

including assuming responsibility for securing all federal permits needed to allow construction of the facility, if such support is requested by the Sites Project Joint Powers Authority, which includes the Glenn-Colusa Irrigation District, Reclamation District 108, the Tehama-Colusa Canal Authority, Maxwell Irrigation District, the County of Glenn, the County of Colusa and Yolo County Flood Control and Water Conservation District; and

directs the Federal Agencies to work with the Sites Project Authority, which has been established under laws of the State of California as an independent joint powers authority to, among other things, study, promote, develop, design, finance, acquire, construct, manage, and operate Sites Reservoir and related facilities, in order to advance the Sites Project in the most expeditious and cost-effective manner possible.

The Sites Project has been identified by the State of California and the United States as an important component to improving integrated water management in the Sacramento Valley in a manner that will advance the equally important objectives of improving water supply reliability and restoring the Sacramento River watershed and the ecological health of the Sacramento-San Joaquin Delta.

Among other things, the Sites Project will provide a more reliable water supply for the State of California that will benefit agricultural, municipal and industrial water users, as well as fish, including anadromous fish in the Sacramento River, waterfowl and wildlife.

Additional House Water Supply Bills

In addition to the Sites bill, the following water storage bills are currently pending before the House Resources Committee and could start to move through the legislative process at any time:

Water Supply Permitting Coordination Act, H.R. 3980

Introduced in House (01/31/2014) Rep. Tom McClintock (R-CA) and has one cosponsor (Lummis – R-WY). H.R. 3980 establishes the Bureau of Reclamation as the lead agency for purposes of coordinating all reviews, analyses, opinions, statements, permits, licenses, or other approvals or decisions (reviews) required under federal law to construct new surface water storage projects on lands administered by the Department of the Interior or the Department of Agriculture (USDA), exclusive of any easement, right-of-way, lease, or any private holding (qualifying projects).

The bill also directs the Commissioner of the Bureau: (1) upon receipt of an application for a qualifying project, to identify any federal agency that may have jurisdiction over a required review; and (2) to notify such agency that it has been designated as a cooperating agency unless the agency notifies the Bureau that the agency has no jurisdiction or authority over the project, has no expertise or information relevant to the project or any associated review, or does not intend to submit comments other than in cooperation with the Bureau. The bill also requires each cooperating agency to submit to the Bureau: (1) a timeframe for completing the agency's authorizing responsibilities, (2) all environmental review material produced in the course of carrying out activities required under federal law consistent with the project schedule, and (3) all relevant project data.

H.R. 3980 allows a state in which a qualifying project is being considered to choose to: (1) participate as a cooperating agency and (2) make subject to the processes of this Act all state agencies that have jurisdiction over the project, are required to conduct or issue a review, or are required to make a determination on issuing a permit, license, or approval for the project.

The bill further lists as the principal responsibilities of the Bureau under this Act to: (1) serve as the point of contact for applicants, state agencies, Indian tribes, and others regarding proposed projects; (2) coordinate preparation of unified environmental documentation that will serve as the basis for all federal decisions necessary to authorize the use of federal lands for qualifying projects; and (3) coordinate all federal agency reviews necessary for the development and construction of qualifying projects.



Finally, the bill authorizes the Secretary of the Interior to accept and expend funds contributed by a non-federal public entity to expedite the evaluation of a permit of that entity related to a qualifying project or activity for a public purpose under the jurisdiction of the Department of the Interior. If enacted, the bill directs the Secretary to ensure that all final permit decisions are made available to the public, including on the Internet.

Inside the Beltway

Current status: The House Natural Resource Committee held a legislative hearing on February 5, 2014 on the legislation and it currently awaits a markup in the Committee.

Surface Water Storage Enhancement Act, H.R. 3981

Introduced in House (01/31/2014) by Rep. Doc Hastings (R-WA). The <u>Accelerated Revenue, Repayment, and Surface Water</u> <u>Storage Enhancement Act</u> directs the Secretary of the Interior to convert certain existing water service contracts between the United Sates and water users' associations to repayment contracts to allow for prepayment of such contracts, upon the request of the contractor. The bill also specifies the manner of conversion and the terms and conditions of prepayment.

Among other things, the bill requires the receipts generated from prepayment of contracts under this Act, beyond amounts necessary to cover the amount of receipts forgone from scheduled payments under current law for the 10-year period following the enactment of this Act, to be directed to the Reclamation Surface Water Storage Account. The bill requires the Secretary to allocate amounts in such Account to fund or provide loans for the construction of surface water storage for:

- increased municipal and industrial water supply;
- agricultural floodwater, erosion, and sedimentation reduction;
- agricultural drainage improvements;
- agricultural irrigation;
- increased recreation opportunities;
- reduced adverse impacts to fish and wildlife from water storage or diversion projects within watersheds associated with water storage projects funded under this Act; and
- other purposes consistent with reclamation laws or other federal law.

Current status: The House Natural Resource Committee held a legislative hearing on February 5, 2014 on the legislation and it currently awaits a markup in the Committee, which we expect to occur before the end of the calendar year.

Surface Water Storage Enhancement Program

The discussion draft bill offered by House Natural Resources Chairman Doc Hastings (R-WA) would direct the Secretary of the Interior, through the Bureau of Reclamation, to construct surface water storage or to enter into cooperative agreements with water user associations (i.e. irrigation/water districts) for the construction of surface water storage. The draft would create the Bureau of Reclamation Surface Water Storage Account at the U.S. Treasury by diverting up to \$400 million per year for five years (\$2 billion total) to the Storage Account from receipts designated for the current Reclamation Fund at Treasury. Loans from the account for the construction of water storage would be required to be fully reimbursed according the Federal Reclamation laws (0% interest; up to 40-year repayment), and the funds used from this account would not need to be appropriated by Congress to make such loans.

Current status: The House Natural Resource Committee held a legislative hearing on February 5, 2014 on the discussion draft bill. The bill is currently being modified by the House Natural Resources Committee staff and we are weighing in on new language at this time. The bill is expected to be introduced before the August recess this year, and as the Committee has already held a hearing on the discussion draft, it could be marked up by the Committee shortly after introduction.



Inside the Beltway

California Drought/Storage Bills

H.R. 3964, H.R. 3988, H.R. 4039, H.R. 4239, S. 2198 were introduced by various Members of the California Congressional Delegation to authorize the Secretary of the Interior and the Secretary of Commerce to provide forms of assistance, maximum flexibility in the operation of the Federal Central Valley Project, and for other purposes. These bills are very different from each other, providing a variety of approaches to addressing the problems associated with the current drought. Some take the position that environmental laws should be stayed in favor of project water delivery, while others are focused on providing flexibility under the law and added funding for disaster relief and water conservation.

In addition to the Sites authorization bill, H.R. 4300, Members of the California Congressional Delegation have introduced a number of separate bills (H.R. 2554, H.R. 4456, H.R. 4127, H.R. 4126 and H.R. 4125) to authorize the planning, design and construction of new and expanded California water storage facilities. Most of these storage projects have been studied for years, and would need congressional authorization to move them forward by the Bureau of Reclamation and non-federal partners.

Current status: The House has passed the Republican CA drought bill (H.R. 3964), but it will not move forward in that form in the Democratic controlled Senate. In the Senate, Sen. Feinstein (D-CA) gained passage of her legislation (S. 2198) by unanimous consent on May 22. The strategy now is to "conference" the Senate bill with the House-passed version.

Obama Administration Proposes New ESA Critical Habitat Rules

The Obama Administration unveiled earlier this month two new proposed rules and a new policy designed to clarify how the U.S. Fish and Wildlife Service and the National Marine Fisheries Service (Services) designates and protects critical habitat for threatened and endangered species, as required by the Endangered Species Act (ESA). The proposals are some of the most significant updates to the implementation of the ESA in several years on critical habitat is designated and protected.

The proposed rules include a more expansive definition for how projects harm or destroy critical habitat ("adverse modification"), while the new policy outlines how the Services exclude lands from critical habitat designations. The policy states that private lands currently managed under voluntary species conservation and protection measures, such as Habitat Conservation Plans (HCPs),



would be given priority for exclusion, a move that seems to correct recent mixed messages that were sent by the Services through the designation of critical habitat within HCPs that already protect the species. This has created a level of distrust of the Services by HCP beneficiaries who already had made commitments in land and water management and species protections under the HCPs, only to have the Services place yet another layer of regulation on top of an HCP footprint through the critical habitat designation. A third regulation is being proposed to clarify procedures and standards used by the Services in designating critical habitat, defining the scope and purpose of the habitat.

House Hearing on CWA Proposed WOTUS Rule Postponed Until June 11

The first congressional hearing before the House Transportation and Infrastructure (T&I) Water Resources and Environment Subcommittee on the Obama Administration's controversial Clean Water Act (CWA) proposed rulemaking affecting which streams and wetlands get protection under the CWA will occur on June 11.



Inside the Beltway

Key Senator Releases Plan to Track Energy-Water Nexus

Many are concerned the rulemaking would place nearly every tributary, including streams that flow only during certain times of year or after rainstorms, under the jurisdiction of the CWA. For years, such streams and creeks and the wetlands near them were treated as jurisdictional, but two Supreme Court decisions in 2001 and 2006 questioned their jurisdiction, leaving federal and state regulators, industry and environmental groups at odds with each other over the regulatory reach of the CWA.

Senate Energy and Natural Resources Committee ranking member Lisa Murkowski (R-AK) last week unveiled a white paper, "*The Energy-Water Nexus: Interlinked Resources That Are Vital for Economic Growth and Sustainability*," detailing a plan for improving the tracking and conservation of the water needed for energy production, and the energy used to provide water for consumptive uses. Sen. Murkowski's focus on the issue of water in the energy sector highlights a growing concern as severe drought grips sections of the country and demand for water slowly



rises. According to the paper, by the year 2040 the need for water is expected to climb in step with an increase in energy consumption, gas and oil production and ethanol consumption for fuel, with the energy sector accounting for the fastest-growing water demands.

The white paper calls for gathering more data on the amount of water needed to produce energy, as well as the amount of energy to produce, deliver and treat water, in order to help policymakers with future water and energy infrastructure decisions.

Sen. Murkowski writes, "We should not assume that water will always be available for these purposes. With a steady population increase and the resource needs of a modern economy, freshwater could well become a limited resource in many parts of this nation."

Murkowski has introduced a bill with former Senate Energy and Natural Resources Chairman Ron Wyden (D-OR), S. 1971, the *Nexus of Energy and Water for Sustainability Act of 2014*, or the "NEWS Act" for short, to increase the federal government's focus on the connections between water and energy.

Fish Screen Lobby Effort

In March, representatives from Meridian Farms Water Company, Natomas Mutual Water Company, Reclamation District 2035, Woodland-Davis Clean Water Agency and NCWA traveled to Washington, DC to lobby for Sacramento River Fish Screen Program funding in the Fiscal Year 2015 Energy and Water Development Appropriations bill. The trip is part of a perennial effort on behalf of NCWA and entities constructing fish screens to secure federal funding for the projects.

In Fiscal Year 2014, federal fish screen funding totaled \$8.175 million.

According to the Central Valley Project Improvement Act, which authorizes the federal Anadromous Fish Screen Program, federal funding can contribute up to half of the total



project cost. The additional funding must come from other sources, including local investment and state agencies.

The Meridian Farms WC, Natomas MWC and RD 2035 fish screen projects are the last remaining "high-priority" fish screen projects on the Sacramento River, as determined by the U.S. Fish and Wildlife Service's Anadromous Fish Screen Program.



California Rice part of new Critical Conservation Area and we couldn't be happier

By Paul Buttner

Today, the U.S. Department of Agriculture (USDA) made a very smart decision. By designating the Central Valley, and therefore all of its rice fields, as one of eight nationally recognized Critical Conservation Areas, they've paved the way for greater resource conservation investment in this great region that significantly serves both the needs of nature and humans. This designation was made under the provisions of the new Regional Conservation Partnership Program (RCPP) in the 2014 Farm Bill.

I'm thrilled to report that they got it right! Through their contribution to migratory waterbird conservation in California, the benefits of today's action will be realized as far as the boundless international flights of these beautiful birds. They connect us to one another. As such, they deserve our attention through responsible conservation actions like this one.

Years before RCPP, the USDA demonstrated its commitment and concern for the ecology of this region by establishing the Bay-Delta Initiative in California which included the Central Valley region. This new designation re-affirms the USDA's commitment to address the Central Valley's complex ecosystem challenges relating to fish, wildlife, water quality and quantity, agricultural activities and human resource needs within this region that produces nearly \$40 billion in crops and supplies some 20 percent of our nation's food.

Here's why the Central Valley was such an obvious region for USDA to choose:

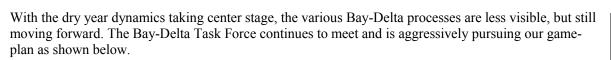
- ✤ Currently affected by the most extreme drought in nearly 40 years.
- * Ongoing struggles with significant air and water quality challenges.
- ♥ Used by over 300 species of birds, three-quarters of which migrate internationally.
- ✤ Habitat for dozens of species cited as being "at risk" by wildlife resource agencies and conservation organizations.
- * Home to 20 percent of our nation's population of wintering waterfowl and 60 percent of the Pacific Flyway population.
- ♥ Used by approximately 400,000 shorebirds.
- ✤ Vast majority of wildlife now reliant on privately-owned agricultural lands.
- ✤ Has lost 95 percent of its historic wetlands.

Now that USDA has taken this important first step, it's now up to guys like me, joined by conservation partners, to step-up with innovative approaches for USDA to invest in that can result in tangible improvements to the many resources of concern in the Great Central Valley. I applaud NRCS for a job well done. And, I stand ready to roll-up my sleeves and make California rice fields even more valuable to waterbird conservation than ever before. Now let's get to work!

For more information, please see page 37.



Paul Buttner is Manager of Environmental Affairs for the California Rice Commission.



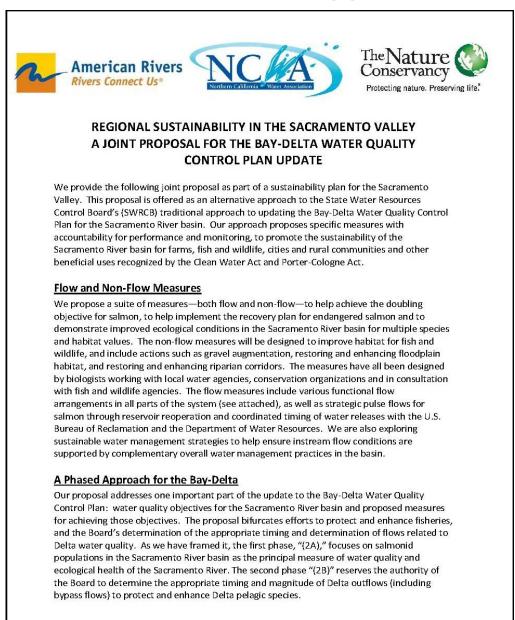
State Water Resources Control Board

The Sacramento Valley Water Users, working with the Nature Conservancy and American Rivers, have provided our joint proposal to the State Water Resources Control Board as an alternative to the SWRCB's Water Quality Control Plan for the Sacramento Valley. The SWRCB schedule for both the San Joaquin and Sacramento Valley has been delayed till later this year. The parties on April 28 also sent a letter to California Fish and Wildlife Director Chuck Bonham requesting his support and "direct engagement in advancing a conservation partnership that we believe can serve as a model to implement parts of the Governor's California Water Action Plan." Similar conversations are also occurring with the National Marine Fisheries Service. The summary of the proposal is shown below.



Bay-Delta

By Tib Belza, Chair Bay Delta Task Force





Bay-Delta

A Program of Implementation

We propose that the SWRCB amend the current program of implementation to detail an approach that assures accountability. Whereas previous water quality plan updates have included only recommendations for action, our proposal specifies what, when and where each action will occur, as required by Water Code §13242. We envision that our work plan would be evaluated on a regular basis by wildlife agencies to demonstrate the effectiveness of the conservation measures that we are proposing to undertake. As such, this approach also includes specific procedures for compliance monitoring, annual reporting and oversight, and continuous improvement and adaptive management, to ensure the actions taken actually provide the benefit intended.

Implements the California Water Action Plan

We believe that this proposal is consistent with objectives defined in the Governor's California Water Action Plan, including "state agencies encouraging negotiated agreements among interested parties to implement flow and non-flow actions to meet regulatory standards and support all beneficial uses of water." (Page 18.) More specifically, the program will help the SWRCB "balance competing uses of water including municipal and agricultural supply, hydropower, fishery protection, recreation, and other uses" by completing part of "its update of the Water Quality Control Plan for the Delta and its upstream watersheds." (Page 9.) Here, the proposal will provide conservation objectives and measures designed to complement implementation of habitat investments and programs, salmon recovery plans and other measure designed to meet salmon, steelhead, and wider ecological flow needs for the state's natural resources through an integrated, multi-pronged approach."

The Delta Plan Objectives

The proposal will advance policies and recommendations in the Delta Plan for the SWRCB to adopt and implement updated flow objectives by June, 2014 that achieve the co-equal goals. (ER-P1 and ER-R1, page 148.) "The sooner these objectives are set, the earlier the ecosystem can be protected and restored.... That is why the Delta Plan calls upon the SWRCB to complete its work by [these] specified deadlines." (Page 133.)

If you have any questions, please call Jay Ziegler with Nature Conservancy (916.449.2857), Steve Rothert with American Rivers (530.478.5672) or David Guy with Northern California Water Association (916.442.8333).

Bay-Delta Conservation Plan (BDCP)

The comments on the draft Bay-Delta Conservation Plan and related environmental documents are due on June 13. A team of Sacramento Valley attorneys and managers are working on these comments. The comments will include detailed technical support from various consultants on salmon, Delta pelagic fish, birds and the Pacific Flyway, and BDCP modeling. The North State Water Alliance on February 24 provided the Governor and other policy makers with the North State perspective on the California Water Action Plan, including our continued statement that "for the various **Bay-Delta** actions, state policies and operations need to be aligned in a way that will avoid re-directed impacts to the north state." The BDCP agencies are also advancing an implementation agreement we will be reviewing.



The North State Water Alliance applauds Governor Brown's California Water Action Plan (Action Plan) and his call for comprehensive action throughout the state to address California's water challenges.

Communities and businesses in the north state have been planning and bracing for both droughts and floods for the past several decades. This year low managed storage in reservoirs coupled with minimal precipitation is making it difficult for the north state's water resources managers to serve water for all purposes, including cities and communities, farms, fish, birds and recreational uses.

The Alliance shares the Action Plan's overarching goal to "meet three broad objectives: more reliable water supplies, the restoration of important species and habitat, and a more resilient, sustainably managed water resources system (water supply, water quality, flood protection, and environment) that can better withstand inevitable and unforeseen pressures in the coming decades." (Action Plan at 3.) *Now is the time for progress to develop the infrastructure and the regulatory and operational certainty to achieve these objectives.* In the north state, the successful implementation of the WAP will require progress on two parallel tracks:

- For the Sacramento Valley and watersheds upstream of the Delta, the Alliance partners will advance local and regional water management (in partnership with state and federal agencies) to achieve regional sustainability for all the beneficial purposes described above; and,
- For the various **Bay-Delta** actions, state policies and operations need to be aligned in a way that will avoid re-directed impacts to the north state.

The Alliance is committed to working with the Brown Administration in implementing the Action Plan as follows:

Advance Regional Sustainability.

The Alliance and its various partners fully embrace the call in the Action Plan to "ensure water security at the local level" and "to integrate disparate or



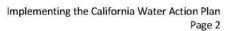
Mountain Counties







northstatewater.org



Bay-Delta

individual government efforts into one combined regional commitment wherethe sum becomes greater than any single piece." (Action Plan at 6.) Water resources managers will continue to develop and implement "diverse regional water portfolios that will relieve pressure on foundational supplies and make [our] communities more resilient against drought, flood, population growth and climate change," as well as catastrophic fire. (Action Plan at 4.) The state policy on regional sustainability mandates that "each region that depends on water from the Delta watershed shall improve its regional self-reliance for water through investment in water use efficiency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts." (Water Code §85021.)

More specifically, the Alliance and its partners have demonstrated leadership and are committed to implementing the following in the Action Plan to support regional sustainability:

- · Conservation is a way of life in both urban and rural areas;
- Protect and restore important ecosystems, including a fishery action plan with enhanced flows for salmon; implementing the Central Valley Joint Venture plan for the Pacific Flyway; and, managing headwaters from the crests of the Sierra Nevada and Coast Range for multiple benefits and restoring mountain meadows;
- Expand water storage capacity and improve groundwater management, including the Sites off stream storage project, re-operating existing reservoirs for regional sustainability, and sustainable groundwater storage and conjunctive use;
- Provide safe water for all communities, including both urban and rural programs to improve water quality in the region.

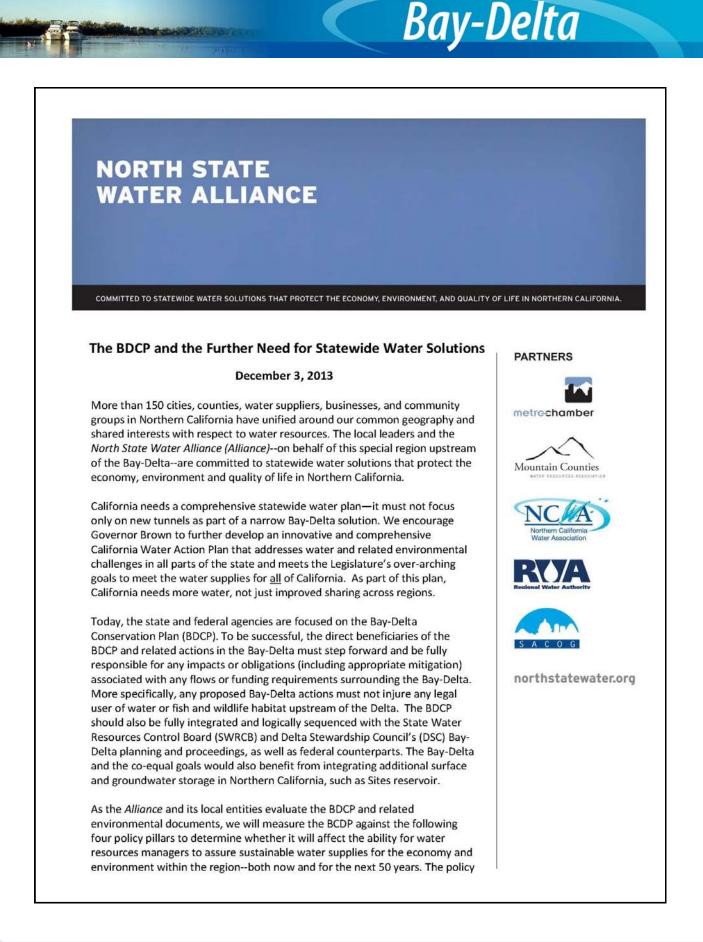
We have detailed information available on these various proposed actions.

The Bay-Delta: Avoiding Impacts to the North State

The various operations and proposals by state and federal agencies involving the Bay-Delta pose a grave threat to north state regional sustainability. Specifically, the agencies' proposals for additional flows into the Delta would directly reduce available water supplies, both surface and groundwater, for the north state. The Brown Administration should not tolerate actions that redirect impacts and stifle upstream efforts to maintain or promote regional water sustainability.

To avoid this conflict, the Alliance strongly urges the Brown Administration to focus on the Action Plan section to Improve and Clarify Coordination of State Bay-Delta Actions. "A coordinated approach to managing the Delta is essential to serve the needs of California's residents." (Action Plan at 18.) Here, the north state is committed to the state's co-equal goals that call for "providing a more reliable water supply for California" for all purposes. (Water Code §85054.) As an example, water suppliers in the north state are working with various conservation partners on a robust sustainability plan for the Sacramento River Basin that protects beneficial uses in the Sacramento Valley. This plan allows the Bay-Delta Conservation Plan (BDCP) process and related actions in the Delta to further develop, while ensuring that these actions will not injure the north state. The Alliance provided its perspective on the "BDCP and the Further Need for Statewide Solutions" on December 3, 2013 (attached).

As the most innovative state in the nation, we can find solutions to address the many water challenges before us. The north state is committed to working with the Brown Administration, our regional partners and statewide water interests to be sure plans do not fall short of addressing the fundamental principle of long-term water supply goals in the Action Plan.





pillars were articulated by the Legislature in the 2009 Delta Reform Act, which expressly recognized the unique nature of the North State upstream of the Bay-Delta.

Bay-Delta

- Regional sustainability: The state policy on regional sustainability (Water Code §85021) mandates that "each region that depends on water from the Delta watershed shall improve its regional self-reliance for water through investment in water use efficiency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts." Water resources managers continue to implement this state policy. Conversely, the BDCP, SWRCB planning and other Delta actions should not interfere with or stifle upstream efforts to maintain or promote regional water sustainability and self-sufficiency in the North State.
- No redirected impacts: The Governor, Secretary of Interior and policy leaders in the BDCP process have emphasized that the BDCP will not redirect any impacts to areas upstream of the Delta. In their July 25, 2012 statement, the Governor and Secretaries confirmed that "State and U.S. governments will make sure implementation of BDCP will not result in adverse effects on the water rights of those in the watershed of the Delta, nor will it impose any obligations on water users upstream of the Delta to supplement flows in and through the Delta." The North State is neither a party to nor a direct beneficiary of the BDCP, thus there must be no resultant impacts to water supplies or the economy and environment in the North State.
- Water rights protections: Water supplies for all beneficial purposes in this region depend upon the exercise of water rights and contracts. As a result, the Legislature expressly recognized that water rights and area of origin protections in the North State watersheds shall not be impaired or diminished as a result of any program or project in the Bay-Delta. (Water Code §85031.) Water right, contract and area-of-origin priorities must be recognized and fully implemented by state and federal agencies to ensure that reliable supplies for all water uses and needs can be exercised in our region. These water rights also provide a solid foundation for the operation of the state and federal water projects, thus helping to advance active water management throughout California.
- **Coequal goals**: The state's co-equal goals call for "providing a more reliable water supply for California." (Water Code §85054.) This includes areas in the North State upstream of the Bay-Delta, where water supply entities will provide reliable water supplies for the region. More specifically, this includes more reliable water supplies for all beneficial uses, including cities and rural communities, farm lands and forests, refuges and managed wetlands, recreation and the meandering streams, creeks, canals, and rivers that support fisheries and aquatic habitat.

The *Alliance* was formed around a common passion that the Sacramento Valley and the adjacent Sierra Nevada and Coast Ranges is a truly unique place tied together by its water resources. On the leading edge of balancing ecological, economic and social sustainability, the region is an *exceptional* place to live, work and raise a family. The region joins together a world-renowned mosaic of natural abundance: productive farmlands and forests, wildlife refuges and managed wetlands, the State Capital, other dynamic cities and vibrant rural communities, and meandering streams, creeks, canals, and rivers that support and feed fisheries and natural habitats knitted into the landscape.

With reliable water supplies and *efficient* management of the region's water resources, the *Alliance* and local leaders will continue to provide what's *essential* to California's future success and prosperity. Vibrant cities and rural communities, nourishment and sustenance from the fields, habitats for fish and wildlife, recreation and a special quality of life—the North State is home to all of this, and more.



We look forward to working with state and federal leaders and our various partners in developing a solution to the Bay-Delta that will be integrated with a comprehensive statewide water solution. If you have any questions, please call the North State Water Alliance partners below.

For more information and the list of Alliance participants, please visit the North State Water Alliance (NSWA) website at <u>www.northstatewater.org</u>.

David Guy President Northern California Water Association (916) 442-8333

John Woodling Executive Director Regional Water Authority (916) 967-7692

e Allo

Roger Niello President and CEO Sacramento Metro Chamber (916) 552-6800

Millam Yan

Mike McKeever Chief Executive Officer Sacramento Area Council of Governments (916) 321-9000

Bay-Delta

John Kingsbury Executive Director Mountain County Water Resources Association (530) 957-7879

Biological Opinions (BiOps)

With respect to the Biological Opinions (BiOps) that govern the operations of the State Water Project and Central Valley Project, the Bureau of Reclamation is continuing its "Stakeholder Remand Engagement Process" for the Biological Opinions (BiOps), now proceeding on a watershed by watershed basis. The BiOps will likely govern operations of the Delta for the decade while the BDCP is being developed. There are several alternatives being considered as part of the Environmental Impact Statement process, some of which include additional flows in the Delta.

U.S. District Court Judge O'Neill on March 5, 2014 extended the remand schedule by another year. With respect to the Delta Smelt, the Fish and Wildlife Service will issue a final BiOp and Environmental Impact Statement (EIS) by December 1, 2015. For salmon, the National Marine Fisheries Service (NMFS) will issue its draft BiOp by October 1, 2016; the Bureau of Reclamation will issue the draft EIS by April 1, 2017; NMFS will issue the final BiOp and the Bureau will issue the final EIS by February. 1, 2018; with the Bureau signing the Record of Decision (ROD) based upon final NMFS BiOp by April 29, 2018. The 9th Circuit has continued the oral argument in the appeal for this case to September 14, 2015, and any decision in that appeal may impact this remand schedule.

NCWA and various Sacramento Valley water users are participating in this process. For more information, see: <u>http://www.fws.gov/sfbaydelta/cvp-swp/cvp-swp.cfm</u>.



Bay-Delta

Critical Conservation Area

The United States Department of Agriculture has named the entire Bay-Delta watershed as one of eight critical conservation areas in the country. The USDA Natural Resources Conservation Service (NRCS) Regional Conservation Partnership Program (RCPP), created in the 2014 Farm Bill, will fund a number of conservation activities across California – with special funding available for the Bay-Delta watershed.

The RCPP will competitively award funds to conservation projects designed by local partners specifically for their region. Eligible partners include private companies, universities, non-profit organizations, local and tribal governments and others joining with agricultural and conservation organizations and producers to invest money, manpower and materials to their proposed initiatives. Through RCPP, partners propose conservation projects to improve soil health, water quality and water use efficiency, wildlife habitat, and other related natural resources on private lands. USDA's \$1.2 billion in funding over the life of the five-year program can leverage an additional \$1.2 billion from partners for a total of \$2.4 billion for conservation. \$400 million in USDA funding is available in the first year.

On April 17th, 2014, Congressional Members Garamendi, Matsui, Bera, Thompson and others wrote a letter to Agriculture Secretary Tom Vilsack urging him to designate the Bay-Delta watershed as a critical conservation area. "We believe California's diverse agricultural production and wildlife habitat is unparalleled and our constituents have already forged longstanding partnerships on these issues," the Members wrote. "If selected as a Critical Conservation Area, the partners are ready to continue their work and would be provided the tools necessary to implement sustainable agriculture practices for the benefit of both producers and the environment."

On May 15, NCWA joined with the California Rice Commission, Ducks Unlimited, Point Blue, Audubon California, The Nature Conservancy and California Waterfowl on a letter supporting the Critical Conservation Area designation for the Bay-Delta Watershed and highlighting the importance of the region's land uses to species using the Flyway, "One important crop types in the Central Valley to wetland dependent migratory birds is rice. California rice producers flood over 300.000 acres of harvested ricefields in fall and winter that provide habitat for millions of migrating waterfowl and shorebirds. In spring and summer, rice provides important



breeding habitat for waterfowl, waterbirds, and shorebirds. The cost of replacing these agricultural habitats with publically managed wetlands is estimated to be \$2 billion dollars."

RCPP replaces the former NRCS Agricultural Water Enhancement Program (AWEP) and Cooperative Conservation Partnership Initiative (CCPI) program. These two programs also worked with conservation partners to implement conservation using a landscape approach. NRCS California has established eight natural resource priority concerns for which applications will be accepted. These are soil health, water quality, air quality, water quantity, habitat degradation for at-risk species, inefficient energy use, forest health, and rangeland health. Proposal applications are now being accepted for the program. Pre-proposals are due July 14, and full proposals are due September 26. For more information on applying, visit http://www.grants.gov/web/grants/view-opportunity.html?oppId=256049.



Legal Issues

Delta Smelt Biological Opinion

Ninth Circuit Upholds Biological Opinion in Delta Smelt Litigation

By Louinda V. Lacey

On March 13, 2014, the United States Court of Appeals for the Ninth Circuit upheld the U.S. Fish and Wildlife Service's (FWS) 2008 biological opinion (2008 BiOp), which concluded that the long-term operations plan for the Central Valley and State Water Projects (collectively, "Projects") would jeopardize the continued existence of the delta smelt and its habitat in the Sacramento-San Joaquin Delta (Delta). *San Luis & Delta-Mendota Water Authority v. Jewell*, 2014 U.S. App. LEXIS 4781 (9th Cir. Mar. 13, 2014). The delta smelt is currently listed as an endangered species under the Endangered Species Act (ESA). The practical impacts of this decision include potential decreased water exports and deliveries via the Projects to central and southern California.



The Projects supply water from northern California to agricultural and domestic consumers in central and southern California. The FWS's 2008 BiOp contains proposed restrictions on pumping in the Delta to protect the delta smelt. In 2010, the district court concluded that the 2008 BiOp was arbitrary and capricious, because it was scientifically unsupported and in violation of certain aspects of the ESA. The Ninth Circuit disagreed, giving substantial deference to the FWS's expertise and discretion, while also noting that the 2008 BiOp was "a bit of a mess" with "a jumble of disjointed facts and analyses." Specifically, the court held, among other things:

- *Judicial Review*: The district court's review of the 2008 BiOp should have been limited to the scientific evidence in the administrative record, and the limited testimony of four court-appointed experts to explain the technical information.
- *Scientific Data*: The FWS's technical data, while built on a more conservative model and not analyzed in significant detail, was supported by substantial evidence in the record.
- *Monitoring Location Identification*: The FWS's identification of X2, a point in the Delta that directly affects how much water can be exported, was supported by models selected through reasoned analysis; and the locations of X2 was sufficiently explained in the 2008 BiOp.
- *Incidental Take Statement*: The FWS reasonably used and adequately explained its use of: (1) different data sets for adult and juvenile smelt take limits; and (2) an average cumulative salvage index.
- *Indirect Effects Analysis*: Evidence in the record supported the 2008 BiOp's conclusions regarding the indirect effects of the Projects' operations on the delta smelt, including reduced food supply, increased water contamination, and increased harmful effects from other stressors.
- *ESA Reasonable and Prudent Alternatives (RPA)*: The FWS did not need to articulate: (1) the economical and technological feasibility of the RPA; (2) how the RPA is consistent with the project's purpose; or (3) how the RPA falls within the implementing agencies' authority. The court noted, however, the FWS's determination that the RPA satisfied the non-jeopardy factors could be reasonably discerned from the record.
- *ESA Baseline*: The FWS was not required to distinguish between discretionary and non-discretionary actions to identify the ESA baseline, against which the effects of the proposed action would be compared.
- *National Environmental Policy Act (NEPA) Application*: The Bureau of Reclamation (Bureau), as the federal operator of the Central Valley Project, not the FWS, must complete an Environmental Impact Statement under



NEPA to evaluate the effects of the Bureau's adoption and implementation of the 2008 BiOp. On this point, the Ninth Circuit affirmed the district court's decision.

This long-awaited decision confirms the scope of judicial review and the general principles of deference given to administrative agencies within the context of environmental review. The practical effect of this decision on water supply to central and southern California remains to be seen.

For further information regarding this case, please contact Louinda Lacey at 916-446-7979 or by email at <u>llacey@somachlaw.com</u>.

NCWA has joined water users from throughout California in an amicus brief seeking en banc review by the 9th circuit.

Groundwater Suit May Be a Sign of Things to Come as the Drought Takes Hold and Groundwater Demand Increases

By Aaron A. Ferguson

A Tulare County Superior Court judge recently ruled that Sandridge Partners, LP (Sandridge) may not pump and export groundwater from its land until resolution of a trial to determine whether Sandridge has the right to pump such groundwater for use outside the subbasin. *Lower Tule River Irrigation District v. Sandridge Partners, LP*, No. 253401 (Super. Ct. Tulare Co. 2014). In light of the unprecedented drought, Central Valley irrigators are likely to not only produce more groundwater, but also to look for creative ways to use groundwater to meet irrigation demands. As groundwater production increases, additional lawsuits may be filed to settle competing claims to groundwater supplies.

As background, in 2012, Sandridge purchased property located within the Lower Tule River Irrigation District (LTRID), an irrigation district located within the San Joaquin Valley. In 2013, Sandridge did not grow crops on the property, yet it produced groundwater from three wells located on the subject land. In support of its motion to stop Sandridge from pumping during trial, LTRID argued that Sandridge has improperly appropriated water from the Tule Subbasin by pumping water from the wells located on its property and



using the water to irrigate orchards located 25 miles away and outside the boundaries of the Tule Subbasin.

By law, when a producer pumps groundwater for use on land that does not overlie the groundwater basin from which the water is pumped, the producer must rely on an appropriative right. Appropriators are only entitled to water surplus to the needs of overlying right holders. As such, if a groundwater basin is in an overdraft condition, a producer may not acquire an appropriative right, except by prescription. Appropriative groundwater rights are subject to the first-in-time, first-in-right rule.

In support of its motion for a preliminary injunction, LTRID asserted that the Tule Subbasin is overdrafted, and that surplus groundwater is not available for appropriation. LTRID argued that its appropriative right to local groundwater is senior to any right that Sandridge claims. On these grounds, LTRID sought to permanently stop Sandridge from pumping groundwater for use outside the Tule Subbasin.

In opposition to LTRID's position, Sandridge raised a number of objections to LTRID's claims. Sandridge argued that the water pumped from the property located within the LTRID was used on adjacent properties within the Tule Subbasin that Sandridge and another landowner own. Sandridge contended that it has an agreement with an adjacent water district to use

groundwater and that this agreement provides the basis to use local groundwater on orchards located outside the Tule Subbasin. Sandridge claimed that LTRID lacks sufficient data to establish that the Tule Subbasin is subject to overdraft.



(Legal Issues, con't.)

The Court, in support of its ruling in favor of LTRID, found that LTRID had offered legal authority sufficient to demonstrate the appropriative nature of Sandridge's groundwater use. The Court concluded that LTRID had shown that the Tule Subasin water levels have declined and that no surplus water is available for appropriative use by Sandridge. On these facts, the Court reasonably determined that LTRID is likely to prevail at trial. Also, LTRID's showing was sufficient for the Court to rule that

LTRID would be harmed if Sandridge is allowed to use water outside the Tule Subbasin during the pendency of the litigation. Therefore, the Court granted LTRID's request to enjoin Sandridge from pumping during trial.

As the drought takes hold, this suit may be just the front end of a wave of litigation to resolve competing groundwater claims. For more information, please contact Aaron Ferguson at <u>aferguson@somachlaw.com</u>.

Appointments

Karla Nemeth has been appointed deputy secretary for water policy at the California Natural Resources Agency. She will serve as the Governor's senior advisor on water policy. Nemeth has served as Bay Delta Conservation Plan project manager at the California Natural Resources Agency since 2009. She was environmental and public affairs director at the Alameda County Flood Control and Water Conservation District, Zone 7 from 2005 to 2009 and community affairs manager at Jones and Stokes from 2003 to 2005. Nemeth was a legislative assistant at AESOP Enterprises from 2001 to 2003 and held multiple positions for King County, Washington from 1998 to 2000, including legislative assistant and program manager. She earned a Master of Public Administration degree from the University of Washington. This position does not require Senate confirmation and the compensation is \$150,000. Nemeth is a Democrat.

Kristopher Tjernell has been appointed special assistant for water policy at the California Natural Resources Agency. Tjernell has been a policy consultant at the Conservation Strategy Group since 2007, in the areas of integrated water management, water supply, ecosystem conflict resolution and public finance. This position does not require Senate confirmation and the compensation is \$114,456. Tjernell is a Democrat.

Susan Tatayon has been appointed to the Delta Stewardship Council. Tatayon has been an associate director at the Nature Conservancy since 2006. She was supervising resource planner at the Schlumberger Water Division from 2001 to 2005 and special assistant to the U.S. Bureau of Reclamation Mid-Pacific regional director from 2000 to 2001. Tatayon served in multiple positions at the California Department of Water Resources from 1996 to 2000, including research program specialist and special assistant to the chief deputy director. She is a member of the Floodplain Management Association Board of Directors. This position requires Senate confirmation and the compensation is \$40,669. Tatayon is registered without party preference.

NCWA Membership

Thank you for reading this edition of the NCWA Conveyance. If you are not currently a NCWA Member, we encourage you to join. Below is a form for Membership. If you have any questions, or would like to join NCWA, please call Todd Manley at (916) 442-8333.

Membership		
Member: Water Purveyor, Irrigation District, Ranch/Farm Name or Name of Individual Member		
Water Purveyor, Irrigation District, Ranch/Farm Name or Name of Individual Member Dues Structure:		
Dues Rate: number of acres x \$	1.85 = Annual Dues for 2014	
The dues rate is based upon the number of irrigable acres. Irrigable acreage is defined as the total acreage (that can be irrigated) within an individual purveyor's or water user's service area that is in agricultural production and for waterfowl purposes. The NCWA Board of Directors shall consider specific circumstances in which a significant difference exists between the acreage actually irrigated and the acreage within the purveyor's service area.		
Contact Information:	Billing Information:	
Contact:	_ Contact:	
Title:		
Address:		
Phone:		
E-mail:	_ E-mail:	
Efficient. Essential. Exceptional.		