XIII.



MEMORANDUM

TO: SLDMWA BOARD OF DIRECTORS

FROM: DAN KEPPEN, EXECUTIVE DIRECTOR

SUBJECT: EXECUTIVE DIRECTOR'S REPORT

DATE: JUNE 7, 2021

This memo is intended to keep you apprised as to what is happening behind the scenes on policy issues the Family Farm Alliance is engaged in. In the past month, much of our efforts have focused on engaging the Biden Administration, tracking water legislative developments in Congress, preparing for and participating in a Congressional hearing on the Western drought, working on drought messaging, and advocating that Western water infrastructure provisions be included in COVID recovery stimulus legislation. The water crisis here in Klamath Falls is getting national media attention, so I've also been busy fielding calls from the *Los Angeles Times*, Associated Press, *USA Today* and others, working to connect reporters with those who are truly facing the brunt of drought in the Klamath Basin – our local farmers and ranchers. The only silver lining I can see from this Western drought is that it will hopefully generate public and political attention on the need to modernize and expand our water infrastructure, and find ways to provide more flexibility in federal water management.

These issues and other matters important to our members are further discussed in this memo.

BIDEN ADMNISTRATION DEVELOPMENTS

1. Appointments

President Biden announced several picks for environmental and climate posts scattered throughout the government last month. Several of his nominees participated in confirmation hearings in recent weeks. The Senate Environment and Public Works (EPW) Committee approved three nominees for top slots at the Environmental Protection Agency (EPA) and the Interior Department. The panel voted 14-6 on Ms. Radhika Fox to lead EPA's Office of Water. The committee voted 19-1 for Ms. Michal Freedhoff to lead EPA's Office of Chemical Safety and Pollution Prevention and Ms.

Shannon Estenoz to serve as the Assistant Secretary for Fish, Wildlife and Parks at Interior. Also, the Senate Energy and Natural Resources (ENR) Committee approved several other top Interior nominees. Mr. Robert Anderson, nominated for the job of Interior's Solicitor, was approved on an 11-9 vote, aided by the support of Sen. Lisa Murkowski (R-AK). The Committee then approved by voice vote Ms. Tanya Trujillo's nomination as Assistant Secretary for Water and Science and Ms. Shannon Estenoz's nomination as assistant Interior secretary for fish, wildlife and parks (a position that needed the approval of two committees of jurisdiction). All nominees now will be considered for confirmation votes in the Senate.

The ENR Committee earlier in the month voted 18 to 1 to advance Tommy Beaudreau's nomination to be Deputy Secretary of the Interior. With only Sen. Mike Lee (R-UTAH) voting against the nomination, both Chairman Joe Manchin (D-WV) and Ranking Member John Barrasso (R-WYOMING) praised the nominee. Mr. Beaudreau was nominated for Interior's No. 2 spot after the withdrawal of the White House's first intended nominee, lawyer Elizabeth Klein. Ms. Klein, who faced resistance from key Senate centrists, is now serving as senior counsel to the Interior Secretary. Mr. Beaudreau served as Chief of Staff to the Obama Administration's Secretary of the Interior Sally Jewell, as well as a stint as acting Assistant Secretary for Land and Minerals Management. A full Senate vote on confirmation for Mr. Beaudreau has not been set.

a. Tanya Trujillo Confirmation Hearing

If confirmed, Tanya Trujillo would oversee the Bureau of Reclamation and the U.S. Geological Survey. She is currently serving in that temporary capacity as principal deputy assistant secretary. At her confirmation hearing, she told senators that she would provide "strong support for the department's scientists at the U.S. Geological Survey on their efforts to address climate change, and to advance the nation's research, assessment and prediction capabilities." She added that she "will support the Bureau of Reclamation's important role as a water provider, and I will work closely with Reclamation, and other agencies, to ensure that hydropower resources can continue to provide an important component of our nation's renewable energy portfolio." Ms. Trujillo is a New Mexico native, and served as legislative aide to former Sen. Jeff Bingaman (D-NEW MEXICO). She has also served on the New Mexico Interstate Stream Commission and has led the Colorado River Sustainability Campaign, which coordinates and funds environmental advocacy. She is a Stanford University and University of Iowa College of Law graduate.

Few questions at the confirmation hearing were posed to Ms. Trujillo on water, with only Senators Barrasso and Kelly raising drought and water infrastructure topics. She specifically complimented the Family Farm Alliance and said she will continue to consult with the Alliance on Western water matters. Earlier in the month, the Alliance sent a letter to the ENR Committee expressing support for Ms. Trujillo's confirmation.

b. Department of Agriculture

The White House in April announced that President Biden would nominate Robert Bonnie, who



is currently Deputy Chief of Staff and leads the U.S Department of Agriculture (USDA) efforts on climate change, to be undersecretary of Agriculture for farm production and conservation. Mr. Bonnie served as undersecretary for environment and conservation during the Obama Administration, and during the 4 years of the Trump Administration was vice president for land conservation at the Environmental Defense Fund. The Family Farm Alliance sent a formal letter of support for Mr. Bonnie's confirmation to the Senate Committee on Agriculture.

Meanwhile, the Senate Agriculture, Nutrition, and Forestry Committee last month advanced President Joe Biden's pick for deputy agriculture secretary. The farm panel approved by voice vote the nomination of Jewel Bronaugh, who would be the first Black woman in the post if confirmed. Her nomination now heads to the full Senate for consideration. Ms. Bronaugh most recently served as the nation's first Black female state agriculture commissioner, appointed to Virginia's Agriculture and Consumer Services Department in 2018. She would succeed Stephen Censky, who served during the Trump administration.

USDA earlier in the month announced the appointment of Meryl Harrell as Deputy Under Secretary for Natural Resources and Environment and the appointment of Terry Cosby as Chief of the Natural Resources Conservation Service (NRCS). They begin their positions last month. During the Obama-Biden Administration, Ms. Harrell spent eight years in the Office of Natural Resources and Environment at USDA, including serving as Chief of Staff and then Senior Advisor to the Under Secretary. Ms. Harrell previously worked on public lands issues at The Wilderness Society in Washington, D.C. Terry Cosby began his career with USDA in 1979 as a student trainee in Iowa. Over Cosby's 42 years with the agency, he has served in numerous capacities, most recently, Acting Chief of NRCS and State Conservationist for Ohio.

c. Environmental Protection Agency: Radhika Fox Confirmation Hearing

At last month's EPW Committee confirmation hearing for Michal Freedhoff and Radhika Fox, questioning of the witnesses included significant discussion of Clean Water Act waters of the U.S. (WOTUS) rules. While Ms. Fox remained vague about EPA's plan to rewrite the definition of WOTUS, Republican senators on the committee peppered her with questions about the Biden administration's plans and detailed problems with the 2015 rule, including being extremely burdensome to farmers. Arizona Sen. Mark Kelly was the only Democratic lawmaker to bring up WOTUS, saying the 2015 rule "did not work well for Arizona" and asking how they will address these types of issues. Ms. Fox avoided specifics about what waterways might be covered with a new definition and pledged to "listen to stakeholders," including farmers. She went on to say that the Biden Administration doesn't "want to see this ping pong anymore" and explained that EPA staff had rewritten the rule three times in six years. Ms. Fox indicated that EPA will be conducting "regional roundtables" this summer to discuss its review of which waterways and wetlands qualify for federal protections. The Alliance last month sent a formal letter in support of her confirmation to the EPW Committee.

d. Army Corps of Engineers

President Biden last month announced plans to nominate Michael Connor to be the Assistant Secretary of the Army for Civil Works at the Department of Defense, a position overseeing the Corps of Engineers. Mr. Connor, a member of the Taos Pueblo tribe, served as the Obama Administration's Deputy Secretary of the Interior and Commissioner of the Bureau of Reclamation. He has a long history in government, working as counsel in the Senate Energy and Natural Resources Committee before joining the Obama Administration. The Family Farm Alliance has a long working relationship with Mr. Connor and sent a letter of support for his confirmation to the Senate Environment and Public Works Committee.

2. <u>Biden Administration 2022 Fiscal Year Budget Proposal</u>

The Biden Administration has released their detailed \$6 trillion FY 2022 budget request to Congress that prioritizes climate change, clean energy, and green infrastructure investments. The "whole of government" climate focus is unprecedented in the nation's history and is likely to please progressives and environmental groups that were outraged over cuts to those efforts during the Trump years. The Biden budget also could find some support from Republicans who are increasingly supportive of clean energy investments, although plans to raise taxes for fossil fuel companies will face opposition from the GOP.

The budget request includes large spending increases for clean energy technologies, environmental justice programs across agencies, climate science and sustainability research, mine, and oil well cleanup, water infrastructure (including lead water line replacements) and the U.N. Green Climate Fund. The proposal also boosts funding for transportation equity investments as well as electric vehicles and charging stations.

The Department of the Interior FY 2022 budget request for the Bureau of Reclamation is a total of \$1.5 billion, including \$1.4 billion for the Water and Related Resources account, which funds operation, maintenance and rehabilitation projects, including dam safety at Reclamation facilities. The budget includes \$125.3 million for extraordinary maintenance across Reclamation; \$207.1 million for the Dam Safety Program; and \$92.8 million for rural water projects. The WaterSMART Program request was for \$54.06 million, a decrease from the FY 2022 enacted level of \$148.9 million. The proposed budget also requests \$25.5 million for Yakima Basin Enhancement Project, a \$1.6 million decrease from the FY 2020 enacted level of \$27.15 million.

The Biden Administration is also proposing the <u>American Jobs Plan</u> legislation, which will include \$2.5 billion for the Bureau of Reclamation over five years – \$500 million annually beginning in FY 22. The funding is directed to increase Western water resilience, invest in watershed protection and flood prevention, support agricultural resource management, improve irrigation for Tribes and insular areas, provide safe drinking water, invest in rural clean water infrastructure, and upgrade and modernize America's drinking water, wastewater, and stormwater systems.



Congress has the final say on spending, taxes and policy proposals, and approved appropriations legislation often differs from a president's budget request. Congress will likely need to pass a stopgap continuing resolution (CR) to fund the government and avoid a shutdown when the new fiscal year begins on October 1, with few of the FY 2022 spending bills likely to be enacted by then. House appropriators are expected to begin marking up their spending bills in June with a goal of having them off the floor by the August recess, but Senate action on appropriations bills is still in flux with a 50-50 split and the 60-vote requirement to move legislation in the upper chamber.

3. 30 x 30 Conservation Plan Framework Released

The Biden Administration last month unveiled their framework for the "30 x 30" conservation plan with the goal of setting aside 30% of the nation's lands and waters by 2030. The 24-page report, which has been rebranded into a 10-year "America the Beautiful" campaign, emphasizes voluntary efforts by states, private landowners and tribal nations, leaving many details to be outlined later. Biden Administration officials stressed that the program would rely on private conservation efforts, including easements on working lands like farms and ranches, as well as increased federal investments in open spaces and urban parks. While the report did not provide an estimate of the total cost for the plan, Administration officials cited the *Great American Outdoors Act* enacted in the last Congress that fully funded the Land and Water Conservation Fund as a "down payment" on the plan. President Biden issued an executive order earlier this year directing the Interior Department to propose guidelines for which lands and waters would qualify for conservation and how to measure progress. Environmental groups praised the report. Top GOP officials, while reacting positively to enhanced conservation of public land and water, dismissed the report as lacking much specificity. Some farm organizations -including the Family Farm Alliance - are also taking a "wait and see" approach before they sign on to 30 x 30.

4. Progress Report on Climate-Smart Agriculture & Forestry

USDA last month published the 90-Day Progress Report on Climate-Smart Agriculture and Forestry. The report represents an important step toward in President Biden's Executive Order on Tackling the Climate Crisis at Home and Abroad and shift towards a whole-of-department approach to climate solutions. The Order, signed January 27, states that, "America's farmers, ranchers, and forest landowners have an important role to play in combating the climate crisis and reducing greenhouse gas emissions, by sequestering carbon in soils, grasses, trees, and other vegetation and sourcing sustainable bioproducts and fuels." The initial take by some of our allies in the ag community is that it is generally in alignment with climate smart agriculture positions we've advanced through Solutions from the Land and the North American Climate Smart Agriculture Alliance.

5. Alliance Actions on Biden Climate Change Initiative

The Family Farm Alliance last month helped prepare two comment letters to USDA in response

to an agency request for public input on Biden Administration climate and forest initiatives. This was a good opportunity to provide comments to USDA on a variety of issues important to our membership, including climate-smart agriculture and forestry, biofuels, bioproducts, renewable energy, and catastrophic wildfire. We're hopeful that Secretary Vilsack and his leadership team at USDA will consider them as the agency develops a climate-smart agriculture and forestry approach. The Alliance also worked with the Western Agriculture and Conservation Alliance (WACC) to craft a another, more conservation-oriented response to USDA's request.

6. Alliance Joins Coalition Supporting Forest Restoration

The Family Farm Alliance in May joined a coalition of organizations concerned about federal forest management - and the resulting impacts of wildfire, soil erosion, and water quality, which called upon Congress to invest \$30 billion in forest restoration over the next 10 years as part of the upcoming federal infrastructure package. The coalition's \$30 billion request is based on a figure widely cited as necessary to meet needs of forest health and is based on congressional testimony the U.S. Forest Service gave last year. The group outlines the necessity of the funding and points to "protection of critical watersheds and restoration of federal lands as a core infrastructure issue."

7. Reclamation Extends Comment Period on Proposed WaterSMART Changes

Reclamation is proposing several changes to the WaterSMART program for 2022. Reclamation is seeking public comment on draft eligibility and evaluation criteria for three funding opportunities within the WaterSMART Program to assist with these changes. Reclamation proposes updates to the eligibility requirements and evaluation criteria for the Drought Resiliency Projects and Water and Energy Efficiency Grants funding opportunities. Reclamation is also launching a new funding opportunity for Environmental Water Resources Projects. This new funding opportunity will focus on projects that have environmental benefits, are developed as part of a collaborative process, and may be eligible for up to 75% federal funding. The changes were developed to incorporate recent amendments to the SECURE Water Act, implement priorities identified in recent presidential executive orders, and support the goals of the Interagency Drought Relief Working Group established in March 2021.

Reclamation on Friday announced that it is extending the comment period to **June 18, 2021**. The proposed draft eligibility and evaluation criteria are available on the <u>WaterSMART website</u>. Our comment letter is essentially wrapped up. We plan now on sending our comments to Sheri Looper at <u>slooper@usbr.gov</u> by June 18.

8. National Marine Fisheries Service: Petition to List Spring-Run Chinook Salmon

A comment letter developed jointly by Family Farm Alliance, California Farm Bureau (CAFB), and Oregon Farm Bureau (OFB), was transmitted last month to the National Marine Fisheries Service (Service) on its 90-day finding on the petition to list the Southern Oregon and Northern California Coast (SONCC) Spring-Run Chinook Salmon as a separate evolutionarily significant



unit (ESU) under the federal Endangered Species Act (ESA). CAFB and the Alliance teamed up on a similar letter a few years ago in response to critical habitat revisions proposed by the US Fish and Wildlife Service for yellow-billed cuckoo, which had implications for members in several Western states. Members of our organizations in Southern Oregon and Northern California could be potentially impacted by the proposed spring-run listing. If past listings and proposed listings are any indicators, we predict that yet another listing at this time could needlessly and unproductively exacerbate already significant water use and forestry challenges faced by affected industries, regional economies, and resource managers. Additionally, we fear that a separate spring-run listing could result in the opposite of the intended effect. Unintended consequences could include resistance to continued voluntary restoration activities stemming from concerns related to increased regulatory liability, and an ever-shifting regulatory and compliance landscape.

9. Roll-Back of Trump Administration ESA Reforms

The U.S. Fish and Wildlife Service (FWS) last week announced it will be rolling back a significant portion of Endangered Species Act (ESA) reforms put in place by the Trump administration. The FWS will begin revising, rescinding or reinstating five ESA provisions promulgated by the Trump administration, including two that were the result of Supreme Court case Weyerhaeuser Co. v. United States Fish and Wildlife Service et. al.:

- Rescind the regulations related to exclusions from critical habitat designations.
- Rescind the regulatory definition of habitat.
- Reinstate the blanket 4(d) rule, which ensures private landowners, state agencies and others are not unduly burdened by regulations that do not further the conservation of a species.
- Reinstate prior language affirming that listing determinations are made "without reference to possible economic or other impacts of such determination."
- Revise the definition of "effects of the action" and associated provisions to that portion of the regulation addressing interagency consultation.

We spent considerable time working with the Trump Administration on several of these provisions, so it looks like we'll be going back to the drawing board again, this time, with the intent of explaining to the new administration why many of the Trump reforms actually improve ESA implementation.

10. U.S. Environmental Protection Agency: Clean Water Act 401 Rule

The Biden Administration's EPA has announced its intent to revise a Trump-era Clean Water Act Section 401 Certification Rule that limits states' and tribes' abilities to block energy projects under the Clean Water Act (CWA). EPA's press release states the rule "erodes state and Tribal authority" and that the agency plans to strengthen the authority of states and tribes to protect their water resources. The Trump Administration's final rule sets a one-year deadline for states and tribes to certify or reject applications for water permits. It also limits states and tribes to only considering water quality (not climate change or air pollution) when denying permits under Section 401 of the

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CWA that gives states the right to "certify" that projects requiring permits comply with federal law and state water quality standards. The current rule is already facing legal pushback, including lawsuits from environmental groups and tribes. Narrowing the scope of the Sec. 401 process has long been supported by congressional Republicans, due in part to the refusal of states like New York and Washington State to recently permit pipelines and coal terminals under the CWA.

11. U.S. Treasury: COVID State & Local Fiscal Recovery Fund Program

On May 10, 2021, the U.S. Department of the Treasury released a 151-page Interim Final Rule providing guidance on the eligible uses of the Fiscal Recovery Funds. All payments are to remain available until December 31, 2024, with funded projects completed no later than December 31, 2026. Amounts not spent or used for ineligible purposes will be repaid to Treasury. Upon publication of the Interim Final Rule in the Federal Register (which is likely to occur during the week of May 17, 2021), Treasury encourages stakeholders to submit public comments on the Interim Final Rule at regulations.gov. The Treasury Department will be accepting comments through Friday, July 16, 2021.

The Treasury Interim Guidance on the Rescue Plan funding requests comments on several questions related to water, particularly related to Drinking Water State Revolving Funds (DWSRF) and Clean Water State Revolving Funds (CWSRF). We will prepare some comments on these topics in order to broaden the approved use of those funds to meet our specific water needs. For example, one topic question notes that infrastructure projects related to dams and reservoirs are generally not eligible under the CWSRF and DWSRF categories. Should Treasury consider expanding eligible infrastructure under the Interim Final Rule to include dam and reservoir projects? This particular question will provide a great opportunity to discuss public health, environmental, climate, or equity benefits and costs in expanding the eligibility to include these types of projects.

DEVELOPMENTS IN CONGRESS

The House and Senate were both in recess last week. The Senate returns to Washington today, while the House returns on June 14 (however, House committees will hold virtual hearings and markups this week).

12. House WOW Subcommittee Hearing on Western Drought

With drought conditions worsening across the West, the Family Farm Alliance was asked to testify for the second time this year before the House Natural Resources Subcommittee on Water, Oceans and Wildlife (WOW). The May 25 hearing, titled, "Oversight: The Status of Drought Conditions Throughout the Western United States" focused on the role of climate change in the worsening drought, as well as near- and long-term solutions. Other hearing witnesses included Elizabeth Klein (senior counselor to the Interior secretary), Craig McLean (NOAA acting chief scientist), Joaquin Esquivel (California State Water Resources Control Board chair), Amy Cordalis (Yurok



Tribe), John Entsminger (Southern Nevada Water Authority general manager), Michael Markus (Orange County Water District general manager), Tom Collishaw (Self-Help Enterprises CEO), and Craig Foss (Idaho state forester).

The almost three hour meeting included a robust discussion of Western drought from two perspectives: 1) severity of conditions and their impacts across the region; 2) efforts being undertaken, and continued needs that remain, to address drought including use of desalination, water conservation, reuse and recycling as well as surface and groundwater storage. There was also a recognized need for active forest management practices to reduce the "fuel load" that drives the size and intensity of wildfires across the West. My written testimony addressed both the macroconsequences of drought while also homing in on seven specific Western regions and the challenges faced in each. We put forward solutions to prevent future drought, including investments in water infrastructure and the need to provide increased flexibility for water management by locality. We also advocated for improved forest management to promote the health of the watershed.

One week prior to the hearing, Subcommittee Chairman Jared Huffman reintroduced his "Future Western Water Infrastructure and Drought Resiliency Act," H.R. 3404. The bill includes more than \$1 billion for various water projects, including \$750 million for multi-benefit water storage projects, \$500 million for water recycling and reuse, and \$260 million for water desalinization projects. It also contains provisions to boost water technology and data collection, as well as ecosystem protection and restoration.

13. House Republicans Host Western Drought Forum

In the week prior to the WOW Subcommittee hearing, House Committee on Natural Resources Ranking Member Bruce Westerman (R-Ark.) and WOW Subcommittee Ranking Member Bentz led another forum on the catastrophic drought situation across the American West. Several GOP House Members who participated in the forum claim that weather may not be solely to blame for the unprecedented Western drought; federal and state policies also play a role. Many others of those who testified at the forum pointed out that increased water storage can play a significant long-term role in providing water for multi-parties.

The Alliance provided written testimony for the forum, and several of the experts who testified (via ZOOM) had ties to the Alliance. Although the Alliance did not directly testify at this forum, our written testimony was posted on the forum website: Western Water Forum - Committee on Natural Resources Republican Office (house.gov). Many of those who testified at the forum agree that it takes a host of measures to help drought-proof a community and that water conservation cannot solve a water crisis in the long-term. Many have pointed out that increased water storage can play a significant long-term role in providing water for multi-parties. You can watch the full forum here.

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14. Infrastructure Developments

The White House and Senate Republicans have been in negotiations for several weeks on a package to invest in the nation's infrastructure but remain divided on the size of the package, how to pay for it, and what types of infrastructure will be included. President Biden initially pointed to Memorial Day as a date by which he wanted to see progress on infrastructure but allowed talks with Republicans to continue into last week while stressing the urgency of acting soon." President Biden on Friday rejected the latest GOP offer on infrastructure during a phone call with Sen. Shelley Moore Capito (R-W.Va.), according to the White House, though the two agreed to speak again this week. According to the Associated Press, Democratic senators plan to move forward on infrastructure legislation "with or without the support of Republican senators," Senate Majority Leader Chuck Schumer (D-NY) recently wrote to fellow Democrats.

a. New Reconciliation Challenges

Senate Parliamentarian Elizabeth MacDonough's recent guidance that Senate Democrats can use one rather than two reconciliation packages this year shifts the political thinking for President Biden's agenda if Democrats decide to move ahead without Republicans, as has been anticipated (*The Hill*). As a result, Democrats have only one more change this year to avoid a filibuster since there's virtually no chance of a Republican on the committee voting with them. That could put more pressure on President Biden to cut a deal with Senate Republicans on a scaled-down infrastructure package because that would allow for more spending on a budget reconciliation package with priorities that Republicans will likely not support. The potential scope under a reconciliation strategy means a measure would be unlikely to pass in July, as Democrats originally hoped, and instead stretch into the fall or even late December.

b. Differences

The two sides continue to remain far apart. Republicans still disagree with President Biden on what should be considered "infrastructure," saying a successful infrastructure package should focus on the "physical core idea" such as roads, bridges, ports, and even newer things such as broadband, but not things like elder care, as the Administration is proposing. The GOP plan amounts to about \$250 billion in new spending, far from the president's proposal. President Biden reduced his \$2.3 trillion opening bid to \$1.7 trillion in earlier negotiations, which continues to push federal investment in new programs like those that would support the electric vehicle market to shift Americans away from gas-powered cars.

Sen. Joe Manchin (D-W.Va.) on Sunday said he is "very confident" that Republicans and the White House will reach an agreement on an infrastructure bill. Sen. Capito raised the GOP's current offer by \$50 billion last week, after meeting one-on-one with President Biden Wednesday. White House press secretary Jen Psaki said that while Biden "expressed his gratitude for her effort and goodwill" he also "indicated that the current offer did not meet his objectives to grow the economy, tackle the climate crisis, and create new jobs." This comes after Senate Republicans unveiled a

\$928 billion infrastructure proposal last month. The offer, while substantially more than the caucus's initial \$568 billion proposal introduced in April, fell far short of the \$1.7 trillion counteroffer White House officials made last week.

According to *The Hill*, Senator Manchin said the White House and Senate Republicans are "not that far apart," adding "we think we can find a pathway for it." However, Transportation Secretary Pete Buttigieg on Sunday said there is "lots of daylight" between the White House and Senate Republicans, as the two parties continue to negotiate on an infrastructure package.

c. Progressives Introduce Infrastructure, Climate Legislation

Progressives in Congress have introduced legislation to spend trillions of dollars on climate, clean water, and social justice projects. The "THRIVE Act," which stands for "Transform, Heal and Renew by Investing in a Vibrant Economy," was introduced by Sen. Ed Markey (D-MA), Rep. Debbie Dingell (D-MI) and several other Democrats, to authorize \$1 trillion in new federal spending annually over 10-years for infrastructure, clean energy, agriculture, clean water, and child and elderly care work. Half the funding would be focused on "impacted" and "disenfranchised" communities. Other co-sponsors include Sens. Elizabeth Warren (D-MA) and Bernie Sanders (I-VT) and Reps. Nanette Diaz Barragán (D-CALIFORNIA) and Earl Blumenauer (D-OREGON). Senate Climate advocates are warning they're preparing to hold up any infrastructure package that doesn't address measures to shift the nation's spending priorities to clean energy.

d. Alliance Efforts

Last fall, before the election, a group of us – Family Farm Alliance, Western Growers, California Farm Bureau, NWRA and Association of California Water Agencies – starting planning for the possible eventuality that Joe Biden would win the presidency, and that Democrats might gain control of the House and the Senate. This was similar to the dynamic that existed in late 2008, when President Obama was elected, and Democrats in Congress helped push the big economic stimulus infrastructure package that was signed into law later that year.

It's always a challenge getting lawmakers to talk about water when infrastructure is teed up in Washington. When water infrastructure makes it to the front burner, policy makers are usually talking about drinking water, especially since the incident in Flint, Michigan. The goal of our coalition was to get "our type of infrastructure" — "Western" water infrastructure needs like repairing aging water facilities and building new storage and conveyance facilities — included in the mix when infrastructure talks began in this new Congress.

The Democrats last January assumed control of the White House and both chambers of Congress. Our first task was to demonstrate to the new Administration and Congress that there was interest in the West for such an effort. In January, we submitted letters to President-elect Biden and leaders of Congress signed by over 200 Western ag, urban and water organizations in support of an "all

of the above" infrastructure package, including a suite of water supply enhancement and demand management actions. We've pulled several of these interests from a dozen Western states and established advocacy and communications teams to reach out to Western Members of Congress, Congressional leadership, and the Administration.

We've developed a well-justified "ask" of the types of projects and estimated dollar amounts that we have shopped to Congressional water committees and Congressional leadership. These meetings have been a combination of fact-finding -trying to find intel on how infrastructure negotiations are proceeding – and also getting feedback from committee staff on how realistic our "ask" is. Now, we're working with the state groups to meet with their Western Senate offices, using lists of potential projects in each state, developed by those groups. In the past month, the state groups took the lead to hit Democrat, and then Republican, members of the House of Representatives for each state. Our goal is to try make sure that every Western member of Congress is aware of the importance of including Western water infrastructure this year. Much of this advocacy work was supported by state-driven media and public outreach efforts.

We were looking to finalize our second West-wide letter to Congress last week. However, because Congress was in recess last week - and also because we want to see if we could get some more supporters on board - we decided to hold off on the final letter until today. So far, the response to our request has been fantastic, and we've added over 20 new organizations in addition to the 200-plus that signed on to our January 2021 letter.

The DC publication <u>The Hill</u> last month carried our joint op-ed on the need for investment in Western water infrastructure, coauthored by general manager Jennifer Pierre of the California State Water Contractors, president of Western Growers Dave Puglia, and yours truly. Also, this is the <u>blog</u> post that ran here in Oregon on a site that is popular with state politicians. I co-authored this piece with Julie O'Shea, representing Alliance member Farmers Conservation Alliance (FCA).

WESTERN WATER DROUGHT

15. Western Drought Status

This water year is shaping up to be one of the worst in recent Western history. Most basin snow water equivalent percentiles across the Western Region are well below-normal for the period of record, especially in the Four Corners region. Only parts of the Pacific Northwest and areas of central Montana experienced near and above-normal seasonal snowfall. There are widespread reports of low soil moisture conditions and groundwater depletion for many areas of the West. Above-normal temperatures over much of the West in recent weeks to months has resulted in rapid snowmelt and, due to dry topsoil, much of the snowmelt water has not made it into the rivers, lakes, and reservoirs.



16. Impacts to Agriculture

There have been many factors over the years that make it increasingly difficult to continue farming and ranching. Severe drought is one of the largest issues Western producers face. Irrigated farms in the federal Klamath Project face the worst year in the Project's 116-year history, with essentially no water from the Klamath River system. As you well know, the federal Central Valley Project in California will receive essentially zero supply. The Colorado River Basin is in its 21st year of drought and its reservoirs will end up at their lowest levels since they were initially filled. Watersheds in the American Southwest are parched, and wildfires are predicted to be at record levels this season.

Stock ponds are running dry and farmers have been forced to haul water in several locations. Additionally, reports of reduced pasture forage, livestock requiring supplemental feed and/or being sold off are increasing. According to the California Farm Bureau Federation, rice farmers are planting fewer acres this year. Analysts say the state's rice acreage will likely be down 20% from average because of water restrictions, driving up the price. Alfalfa production will also likely shrink this year.

17. Wildfire Impacts

With much of West seeing drought conditions worsen, fire experts are predicting an above average wildfire potential to continue to expand northward into the Great Basin, Rocky Mountains, and Pacific Northwest throughout the year. In 2020, more than 10.3 million acres burned in the United States – a record year and more than 50 percent above the 10-year average for acres burned. From August through October, the most extreme conditions caused thousands of evacuations, homes and structures lost, and tragic fatalities of 11 people in Oregon and 34 people in California. Secretary of the Interior Deb Haaland and Secretary of Agriculture Tom Vilsack last month shared their vision for the Biden-Harris administration's wildland fire preparedness and response, including supporting science and research into the effects of climate change on wildland fire. The Biden-Harris administration in April previously announced the formation of an Interagency Working Group to address worsening drought conditions in the West and support farmers, Tribes, and communities impacted by ongoing water shortages.

This is a quick summary of just a few of the issues the Alliance has been engaged in. Please do not hesitate to contact me at <u>dan@familyfarmalliance.org</u> if you would like further information about what the Alliance is doing to protect water for Western irrigated agriculture.



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XIII.

Anthea Hansen

From:

San Luis & Delta-Mendota Water Authority <mike@farmwater.ccsend.com> on behalf

of San Luis & Delta-Mendota Water Authority < mwade@farmwater.org >

Sent:

Wednesday, May 26, 2021 6:27 PM Anthea Hansen

To: Subject:

Farms and Communities Receive Deeper Water Supply Cuts

San Luis & Delta-Mendota WATER AUTHORITY



Contact: Scott Petersen San Luis & Delta-Mendota Water Authority (209) 597-0232 (Cell) scott.petersen@sldmwa.org Release: Immediate May 26, 2021

Farms and Communities Receive Deeper Water Supply Cuts

Sacramento, CA – Today, the United States Bureau of Reclamation ("Reclamation") announced an update to the initial Central Valley Project 2021 water supply allocation for municipal and industrial (M&I) water service and agricultural contractors.

Due to worsening hydrologic conditions, Reclamation announced that:

• M&I water service contractors—north-of-Delta and south-of-Delta—allocation is reduced from 55% to 25% of historic use, which may be adjusted in accordance with the CVP M&I Shortage Policy.

• The 5% allocation for CVP agricultural water service contractors—both north-of-Delta and south-of-Delta—which was previously suspended until further notice, has been eliminated altogether.

In response to this announcement, Federico Barajas, Executive Director of the San Luis & Delta-Mendota Water Authority, issued the following statement:

"Today's announcement reflects drier than expected conditions and affects the nearly 1.2 million acres of highly productive farmland and 3 million people, many living in economically disadvantaged communities, throughout the western San Joaquin, San Benito and Santa Clara Valleys.

"The challenge before us is unprecedented in the history of the Central Valley Project and demands significant engagement by both federal and state governments to reduce the very real impacts of the drought in the short-term while simultaneously significantly increasing investment in long-term and sustainable solutions — we must increase funding to repair and expand the critical conveyance infrastructure that serves as the backbone of California, we must build and expand facilities that increase our ability to store water during those flood years for future dry years we know will come, and we must continue to improve the operational flexibility of our system.

"Authority staff will continue to work with Reclamation and its member agencies to facilitate water transfers and analyze hydrologic conditions as the year progresses."

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The San Luis & Delta-Mendota Water Authority was established in January of 1992 and consists of 27 member agencies within the western San Joaquin, San Benito, and Santa Clara Valleys, that provide water service to approximately 1,200,000 acres of irrigated agriculture, 2.5 million people, including many living in economically disadvantaged communities, and 130,000 acres of managed wellands of importance to the Pacific Flyway.

San Luis & Delta Mendota Water Authority | 842 6th St, Los Banos, CA 93635

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XIII.



Itinerary for Tour of the San Joaquin River Exchange Contractors Water Authority's Service Area Nancy Vogel Deputy Secretary for Water, CA Natural Resources Agency

Friday, June 11, 2021

10:00 a.m. MEET at *Del Puerto Water District (DPWD) office,* 17840 Ward Avenue, Patterson. Chris White and Anthea Hansen will provide brief outline of the Del Puerto Canyon Reservoir project.

10:30 a.m. DEPART for Del Puerto Canyon Reservoir (DPCR) site.

10:40 a.m. ARRIVE at DPCR.

11:15 a.m. DEPART for *Los Banos Creek – Detention Dam (LBCDD) –* En-route discuss regional water resource and conservation projects and view projects.

12:05 p.m. ARRIVE at *LBCDD* - Discuss projects and potential operations and local benefits for the Exchange Contractors, San Luis Water District, and Grasslands Water District.

12:25 p.m. DEPART for Exchange Contractors' office.

12:45 p.m. ARRIVE at Exchange Contractors' office - Pick up box lunches.

1:00 p.m. DEPART for Red Top/El Nido Subsidence Area – Road 4 at Eastside Bypass.

1:30 p.m. ARRIVE at Road 4 at Eastside Bypass

2:00 p.m. DEPART for **SLCC's Sack Dam**. En-route discuss subsidence solutions for the protection of district facilities.

2:30 p.m. ARRIVE at Sack Dam.

2:50 p.m. DEPART for Mendota Dam. Discuss San Joaquin River Restoration Program.

3:25 p.m. ARRIVE at Mendota Dam.

3:40 p.m. DEPART for **DPWD**. En-route discuss projects and have a follow up discussion of the day's tour.

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Why didn't the government build a giant reservoir to collect water? | Why Guy

In recent years due to climate change, we haven't been getting as much snow melt from the Sierra. So, what should we do next?

Author: Walt Gray (ABC10)

Published: 8:01 AM PDT June 2, 2021 Updated: 8:03 AM PDT June 2, 2021

SACRAMENTO, Calif. — <u>Today's Why Guy question</u> comes from Adam Lwin on Facebook, who asks "why didn't the government build a giant reservoir to collect water when it was good? Now we are in a drought again? Billions on high speed rail that's not going anywhere."

Adam, short answer, all the best dam sites in the state are taken. They were all built in the 1940s, 50s and 60s when we needed dams to prevent catastrophic local flooding.

In recent years due to climate change, the state been getting as much snow in the Sierra, which results in snow melts earlier, leaving us with much less water available in the summer.

So with less snow and runoff, now what do we do?

"The modern strategy is to invest more in below ground storage and off stream reservoirs," Tim Wehling, engineer with the <u>California Department of Water Resources</u>, said. "One of the most exciting off-stream dam projects on the horizon is <u>Sites</u> Reservoir."

According to Wehling, the strategy of the proposed Sites Reservoir just west of Maxwell in Colusa County would be in wet years, siphon off excess water from the swollen Sacramento River and store it for use in dry years. Since it's an off-stream reservoir, it wouldn't block fish navigation like the dams of the 1950s.

There's also the proposed <u>Del Puerto Canyon Reservoir</u>, just west of Patterson off of Interstate 5. If approved, construction would begin in 2022 and take six years to complete. It would also store water for farmers to be used during dry years.

But, Wehling says adding reservoirs and dams isn't enough. "We need to use water more efficiently, choose landscapes better suited for our local climates, and do our parts to reverse climate change," Wehling said.

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June 8, 2021

The Honorable Joe Manchin Chairman, Committee on Energy and Natural Resources United States Senate 304 Dirksen Senate Office Building Washington, DC 20510

The Honorable John Barrasso Ranking Member, Committee on Energy and Natural Resources United States Senate 304 Dirksen Senate Office Building Washington, DC 20510

Dear Chairman Manchin and Ranking Member Barrasso:

As your committee and the Congress considers infrastructure legislation, we point to the overwhelmingly dry conditions the West is facing and urge you to take action to address the shortcomings of our aging Western agricultural, municipal, industrial and rural water infrastructure.

We collectively represent thousands of Western farmers, ranchers, water providers, businesses and communities who help provide \$120 billion of agricultural production and many of the local and regional public water agencies that supply water to over 75 million Western urban, suburban and rural residents.

While we support ongoing efforts to increase funding for clean drinking water, wastewater, and related programs, there is an acute and critical need for water supply infrastructure in the Western United States that must not be overlooked. Our organizations know, through the work we do every day, that federal investment in a diversified water management portfolio that serves a broad range of water uses is essential. Such a portfolio MUST be included as essential infrastructure in the next legislative package.

Hydrological conditions in the West are continuing to change and populations are continuing to expand, raising serious questions about the viability of our nation's water infrastructure. The impact from our failure to address aging water infrastructure, as well as investing in new infrastructure, has become increasingly acute. We believe a visionary federal infrastructure package should seek to bolster our aging water infrastructure and keep water flowing to our nation's farms and ranches, while at the same time improving supply reliability for cities and the environment.

This funding will assist in addressing critical safety needs, develop new infrastructure, invest in smart water technology and conservation, and improve forest and water ecosystems. Additionally, it will spur economic recovery and prepare us to meet the water needs of the next generation in the face of a changing climate.

Our organizations collectively believe that federal investment in water conservation, water recycling, watershed management, conveyance, desalination, water transfers, groundwater storage, and surface storage is urgently needed for a comprehensive water management portfolio. Based on a survey of our members and review of publicly available federal agency and related data, we have identified a **ten-year water infrastructure and related needs investment of approximately \$49 billion dollars**. As detailed in the accompanying document, this includes \$2.8 billion for Bureau of Reclamation (BOR) storage and conveyance, \$3.8 billion to repair of existing infrastructure and address dam safety, and \$2 billion to accelerate completion of rural water, water smart technologies, water recycling and reuse, and other authorized projects. Additionally, over half of identified needs are for natural infrastructure, including \$30 billion for forest restoration and \$1 billion for BOR ecosystem restoration work.

In addition to the funding needs for specific federal programs that have been assembled using public statements, reports and other data from federal agencies, Western water users and state officials involved in our coalition have also developed an inventory of water supply projects in need of federal assistance. To date, the total costs are well over \$60 billion, and while not all of those costs would, or should, be funded by the federal government, this list illustrates the massive need for water infrastructure by states.

Finally, in addition to financial resources, in order to ensure funding of the magnitude meets onthe-ground needs within the timeframe that President Biden envisions, and to avoid the pitfalls of the past, we urge Congress to consider, among others, the following broad reforms:

- Improve the efficiency of permitting processes for water infrastructure development. Commonsense process improvements were included in the American Recovery and Reinvestment Act of 2009 and can be used as a model for success, as well as others, to ensure timely construction of projects. The American Jobs Plan provides that "the President's plan will use smart, coordinated infrastructure permitting to expedite federal decisions while prioritizing stakeholder engagement, community consultation, and maximizing equity, health, and environmental benefits."
- Congress should direct federal agencies to implement a more cooperative approach toward achieving multiple goals under existing environmental laws and regulations. And, where such approaches are currently in law, Congress should encourage these agencies to use any and all flexibilities under the law to act with the urgency and promptness that this crisis demands.
- Congress should closely review, revise, and reform, as appropriate, the funding
 disbursement processes, as well as the procurement and grant making practices of
 federal water agencies to ensure costs for overhead and unnecessary project features
 are minimized or eliminated. In our experience with water projects, expenditures on these
 items can become significant and impact on-the-ground progress.
- Congress should reauthorize and clarify existing authorities, as necessary, to ensure important federal assistance does not expire or exclude critical western water projects. This includes extending the BOR storage and water reuse programs and ensuring EPA can use its Water Infrastructure Finance and Innovation Act (WIFIA) program to assist

federal water contractors. In order to maximize economic activity, we also encourage Congress to designate funding for BOR projects as non-reimbursable."

We need your help to ensure that federal investment and timely improvements are made to our water management portfolio. We look forward to working with you to address our economy's diverse water infrastructure needs.

Sincerely,

A&B Irrigation District (ID)

Agribusiness & Water Council of Arizona

Alaska Farm Bureau

Almond Alliance of California

American AgCredit American Agri-Women

American Farm Bureau Federation

American Farmland Trust

American Olive Oil Producers Association

Animas-La Plata

Water Conservancy District (CO)

Arnold Irrigation District (OR)

Arizona Cattle Feeders Association

Arizona Cotton Growers Association

Arizona Farm and Ranch Group

Arizona Farm Bureau

Association of California Water Agencies

Associated Ditches of Kansas

Biggs-West Gridley Water District (CA)

Black Canyon Irrigation District (ID)

Boise-Kuna Irrigation District (ID)

Browns Valley Irrigation District (CA)

Butte Water District (CA)

California Agricultural Irrigation Association

California Alfalfa & Forage Association

California Apple Commission

California Association of Wheat Growers

California Avocado Commission

California Bean Shippers Association

California Blueberry Association

California Blueberry Commission

California Cattlemen's Association

California Citrus Mutual

California Cotton Alliance

California Cotton Ginners & Growers Assoc.

California Farm Bureau

California Fresh Fruit Association

California Grain & Feed Association

California Seed Association

California State Beekeepers Association

California State Floral Association

California Walnut Commission

California Warehouse Association

California Water Alliance

California Water Service

California Women for Agriculture

Carlsbad Irrigation District (NM)

Central California Irrigation District

Central Arizona Irrigation & Drainage District

Central Oregon Irrigation District

Central Nebraska

Public Power & Irrigation District

Central Utah Water Conservancy District

Central Valley Project Water Association (CA)

Charleston Drainage District (CA)

City of Shasta Lake (CA)

CoBank

Colorado Farm Bureau

Colorado Fruit & Vegetable Growers Assoc.

Colorado Potato Administrative Committee

Colorado River

Energy Distributors Association

Colorado River District (CO)

Colorado Water Congress

Columbia Basin Development League (WA)

Columbia Canal Company (CA)

Del Puerto Water District (CA)

Deschutes Basin Board of Control (OR)

Dolores Water Conservancy District (CO)

Dunnigan Water District (CA)

Eagle Field Water District (CA)

East Columbia Basin Irrigation District (WA)

Eastern Municipal Water District (CA)

Electrical District #3 of Pinal County (AZ)

Electrical District #8 (AZ)

Elephant Butte Irrigation District (NM)

Elsinore Valley Municipal Water District (CA)

Family Farm Alliance

Family Water Alliance (CA)

Farm Credit Council

Farmers Conservation Alliance (OR)

Farwell Irrigation District (NE)

Far West Equipment Dealers Association

Food Northwest (ID, OR, WA)

Fremont-Madison Irrigation District (ID)

Fresno Madera Farm Credit, ACA (CA)

Friant Water Authority (CA)

Garrison Diversion Conservancy District (ND)

Glenn-Colusa Irrigation District (CA)

Groundwater Management Districts Association

Grower-Shipper Association of

Santa Barbara & San Obispo Counties (CA)

Hawaii Farm Bureau

Idaho Dairymen's Association

Idaho Farm Bureau

Idaho Potato Commission

Idaho Water Resources Research Institute

Idaho Water Users Association Imperial Irrigation District (CA)

Imperial Valley Vegetable Growers Assoc. (CA)

Irrigation & Electrical Districts Association

of Arizona

Kansas Bostwick Irrigation District

Kansas Water Congress

King Hill Irrigation District (ID)

Kings River Conservation District (CA)

Kittitas County Farm Bureau (WA)

Kittitas Reclamation District. (WA)

Kittitas County

Timothy Hay Growers & Suppliers (WA)

Klamath Drainage District (OR)

Klamath Irrigation District (OR)

Klamath Water Users Association (OR)

Lindsay-Strathmore Irrigation District (CA)

Little Snake River Conservation District (WY)

Little Snake River

Water Conservancy District (WY)

Maricopa-Stanfield Irrigation

& Drainage District (AZ)

McKinleyville Community Services Dist. (CA)

McMullen Valley

Water Conservation & Drainage District (AZ)

Mercy Springs Water District (CA)

Meridian Farms Water Company (CA)

Modesto Irrigation District (CA)

Montana Farm Bureau

Montana Water Resources Association

Monterey One Water (CA)

Monterey Peninsula

Water Management District (CA)

National Cattlemen's Beef Association

Nampa & Meridian Irrigation District (ID)

National Onion Association

National Pecan Federation

National Water Resources Association

Natomas Mutual Water Company (CA)

Nebraska Farm Bureau

Nevada Farm Bureau Federation

Nevada Irrigation District (CA)

New Magma Irrigation & Drainage District (AZ)

New Mexico Chile Association

New Mexico Farm and Livestock Bureau

Niobrara Conservation District (WY)

North Dakota Water Users Association

Northeast Oregon Water Association

Northern California Water Association

Northern Water (CO)

North Side Canal Company (ID)

North Unit Irrigation District (OR)

Ochoco Irrigation District (OR)

Olive Growers Council of California

Orange Cove Irrigation District (CA)

Oregon Association of Nurseries

Oregon Cattlemen's Association

Oregon Dairy Farmers Association

Oregon Farm Bureau Federation

Oregon Potato Commission

Oregon Water Resources Congress

Oregon Women for Agriculture

Orland Unit Water Users Association (CA)

Pacific Egg and Poultry Association

Panoche Drainage District (CA)

Panoche Water District (CA)

Patterson Irrigation District (CA)

Pioneer Irrigation District (ID)

Portneuf Irrigating Company (ID)

Pot Hook Water Conservancy District (CO)

Princeton-Codora-Glenn Irrig. District (CA)

Provident Irrigation District (CA)

Public Lands Council



Queen Creek Irrigation District (AZ)

Quincy-Columbia Basin I.D. (WA)

Reclamation District No. 108 (CA)

Reclamation District 1500 (CA)

Richvale Irrigation District (CA)

River Garden Farms (CA)

Rocky Mountain Farmers Union

Roosevelt Irrigation District (AZ)

Roza Irrigation District (WA)

Roza-Sunnyside Board of Joint Control (WA)

Rubicon Water (facilities in CA and CO)

Sacramento River Settlement Contractors

Corporation (CA)

San Carlos Irrigation & Drainage District (AZ)

San Joaquin River Exchange Contractors

Water Authority (CA)

San Juan Water District (CA)

San Luis Canal Company (CA)

San Luis & Delta-Mendota Water Authority(CA)

Salt River Project (AZ)

Sargent Irrigation District (NE)

Santa Margarita Water District (CA)

Solano Irrigation District (CA)

Solutions from the Land

South Columbia Basin Irrigation District (WA)

Southeastern Colorado

Water Conservancy District

Southwestern Water Conservation District (CO)

Southwest Kansas

Groundwater Management District No. 3

South Valley Water Association (CA)

South Yuba Water District (CA)

Sunnyside Division Board of Control (WA)

Sunnyside Valley Irrigation District (WA)

Sutter Extension Water District (CA)

Sutter Mutual Water Company (CA)

Swalley Irrigation District (OR)

Tehama Colusa Canal Authority (CA)

Three Sisters Irrigation District (OR)

Truckee-Carson Irrigation District (NV)

Tulare Lake Basin Water Storage District (CA)

Tulelake Irrigation District (CA)

Tumalo Irrigation District (OR)

Turlock Irrigation District (CA)

United Potato Growers of America

United Water Conservation District (CA)

Utah Farm Bureau

Utah Water Users Association

Ventura County Agricultural Association (CA)

Washington Farm Bureau

Washington State Potato Commission

Washington State

Water Resources Association

WateReuse Association

Weber Basin Water Conservancy District (UT)

Wellton-Mohawk

Irrigation and Drainage District (AZ)

Western Agricultural Processors Association

Western Canal Water District (CA)

Western Growers Association

Western Urban Water Coalition

Wyoming Farm Bureau

Yakima Basin Joint Board (WA)

Yakima-Tieton Irrigation District (WA)

Yosemite Farm Credit (CA)

Yuba Water Agency (CA)

Yuma Fresh Vegetable Association (AZ)

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May 21, 2021

Mr. Ernest Conant, Regional Director U.S. Bureau of Reclamation Sacramento Regional Office 2800 Cottage Way Sacramento, CA 95825-18987

Mr. Michael Jackson, Area Manager U.S. Bureau of Reclamation South-Central California Area Office 1243 N Street Fresno, CA 93721

Re:

Current Drought and Central Valley Project Operations/March 25, 2021 and April 22, 2021 letters from Friant Division Contractors / Friant Water Authority

Dear Mr. Conant and Mr. Jackson:

The drought California is currently experiencing threatens the farms and communities across the San Joaquin Valley. The effort by eastside water districts to guard against that threat by assailing the limited water supplies of their fellow farmers and neighboring communities is unreasonable. This is a very difficult year in California. The U.S. Bureau of Reclamation ("Reclamation") is doing its best to serve <u>all</u> interests and needs of the financially and operationally integrated Central Valley Project ("CVP") with the very limited water available. The impacts of the current drought extend well beyond the eastside of the San Joaquin Valley. It is unfortunate that, through letters sent to Reclamation on March 25, 2021 and April 22, 2021, the Delano-Earlimart Irrigation District, Exeter Irrigation District, Ivanhoe Irrigation District, Shafter-Wasco Irrigation District, Southern San Joaquin Municipal Utility District, and Stone Corral Irrigation District ("Friant Districts"), as well as the Friant Water Authority have asked Reclamation to take actions or refrain from actions that would severely limit its ability to best manage through this difficult period, and would harm the Friant Districts' fellow CVP contractors.

The Friant Districts and the Friant Water Authority rely on their interpretations of the terms and conditions of the Friant Division contracts and the supposed obligations imposed thereby. The undersigned will not respond to those interpretations, other than to note that we disagree with them. This letter is instead focused on what the Friant Districts and the Friant Water Authority request from Reclamation based on those interpretations, and the harm that would be caused if Reclamation were to act on those requests.

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Mr. Ernest Conant Mr. Michael Jackson May 21, 2021 Page 2

The Friant Districts urge Reclamation to treat rescheduled water in San Luis Reservoir as available for allocation to the Exchange Contractors, and also urge Reclamation to refuse to repay the contractors if rescheduled water is taken. That would be very damaging to the numerous CVP contractors who rescheduled the water and are counting on it this year, and will count on using rescheduled water in future years. Rescheduled water is the only reliable water that many westside contractors may have access to in this exceedingly dry year. What few crops have been planted were done so in reliance upon the availability of rescheduled water. Abandoning those crops now would have significant economic and socio-economic impacts. It could also expose the United States to significant liability.

Interestingly, in January 2014, the Friant Water Authority—including 5 of the 6 Friant Districts as members—advocated a position in complete opposition to the position the Friant Districts present this year, explaining to Reclamation:

To cope with the dry conditions last year, and the extremely dry conditions this year, contractors have made deals, at great expense, which freed up other water and allowed them to maintain contract supplies for rescheduling. We are chagrined to learn that Reclamation is considering denying the contractors' requests for rescheduling. This would amount to requiring the contractors to use their water supplies immediately or forfeit them. In a year such as this one, where water is scarce, flexibility is of paramount importance. Denying rescheduling of contract supplies deprives the system of needed flexibility. In 2009, Reclamation considered a similar proposal, but then thought better of it. At that time, the Friant Board adopted a position supporting the contractors.

The Friant Districts also ask Reclamation to suspend approval of transfers by the Exchange Contractors, transfers which are vitally important in years such as this when supplies are so scarce. Reclamation's obligations to deliver specified volumes of water under the Exchange Contract are defined by that contract. Those contractual obligations are not diminished or altered by appropriate transfers executed by the Exchange Contractors and authorized by law, which occur as part of the Water Transfer Program for the San Joaquin River Exchange Contractors Water Authority 2014-2038.² The Friant Districts have no legitimate interest in opposing transfers, which do not even affect them. If these transfers were rescinded by Reclamation, it would severely harm the contractors who have relied on Reclamation's approvals and desperately need the water, and it would not serve to increase any supply available to Friant.

The Friant Water Authority likewise advocates for actions that would harm westside CVP contractors. While it professes concern for the desperate lack of CVP supply for south-of-Delta contractors, it nonetheless urges Reclamation not to take action that would help mitigate that harm. It urges that if "a late season allocation is made available, it should not result in additional carryover in San Luis Reservoir." Further, it suggests Reclamation not allow the delivery of transfer water if pumping for 2022 CVP supplies south-of-Delta might be diminished thereby. The Friant Water Authority seeks to stop allocations or

¹ See January 28, 2014 Letter from Friant Water Authority to David Murillo re: 2014 Drought Emergency. ² It is worth noting that when Reclamation and the Exchange Contractors approved the environmental document for the Water Transfer Program in 2013, the Friant Water Authority—including 5 of the 6 Friant Districts—did not object to the transfer of substitute water outside of the Exchange Contractors' service area.

Mr. Ernest Conant Mr. Michael Jackson May 21, 2021 Page 3

transfers this year that would mitigate harm to other contractors in order to provide Friant Division contractors with maximum protection against the possibility of impacts to their water supply in a future year.

The positions expressed by the Friant Districts and Friant Water Authority imply that CVP water stored the San Luis Reservoir must be managed to protect the Friant Division; to avoid a call on the Friant Division to meet Reclamation's obligation to the Exchange Contractors. That is not the case; San Luis Reservoir was not authorized as a project to immunize Friant Division contractors from water supply shortages incurred by Reclamation's performance of its contractual obligations to the Exchange Contractors and statutory/contractual obligations to managed wetlands. Although Reclamation has significant discretion with its operations of San Luis Reservoir as part of an integrated project, it cannot ignore that Congress authorized San Luis Reservoir and other facilities of the San Luis Unit "for the principal purpose of furnishing water for the irrigation of ... land in Merced, Fresno, and Kings Counties, California, hereinafter referred to as the Federal San Luis unit service area." Public Law 86-488.

The positions of the Friant Districts and the Friant Water Authority are remarkable given the relative levels of allocations this year. This year Friant Division contractors received a 20% allocation of Class 1 supply. Meanwhile, west side agricultural repayment and water service contractors received an initial 5% allocation, and even that was later pulled back. Yet the Friant Districts and the Friant Water Authority urge Reclamation to take away rescheduled water in San Luis Reservoir, refuse transfers, and make no additional allocation this year to CVP contractors now suffering from a 0% allocation. These positions reflect no sense of Reclamation's obligation to seek balance among the CVP's multiple requirements and purposes, or consideration of the relative impacts being felt by other CVP contractors.

The positions of the Friant Districts and the Friant Water Authority are also disappointing given they seek to reduce supply for CVP contractors who have already borne a disproportionate share of the water and financial cost of meeting regulatory requirements imposed on the integrated CVP. The Friant Division is subject to regulations and obligations to which the entire CVP is subject. Yet, the higher allocations made to Friant Division contractors this year is, in part, a reflection of how CVP resources are currently used to meet legal obligations. Unlike the supply from other divisions of the CVP, the Friant Division supply has not borne any of the burden of meeting Bay-Delta water quality objectives or federal environmental obligations. Reclamation should consider those realities when deciding upon actions this year that would assist south-of-Delta contractors, and what risks to potential future CVP operations are justified.

In closing, Reclamation must dismiss the positions of the Friant Districts and the Friant Water Authority and continue to do the good work Reclamation has been doing this year, striving to operate the CVP in furtherance of all its authorized purposes and finding a reasonable balance among Reclamation's many obligations.

Sincerely,

Federico Barajas, Executive Director

San Luis & Delta-Mendota Water Authority

Anthea Hansen, General Manager Del Puerto Water District

Thea. Galares

Mr. Ernest Conant Mr. Michael Jackson May 21, 2021 Page 4

Vince Lucchesi, General Manager Patterson Irrigation District

David Weisenberger, General Manager Banta-Carbona Irrigation District

Lon Martin, General Manager San Luis Water District

Ara Azhderian, General Manager Panoche Water District and Mercy Springs Water District

Aaron Baker, Chief Operating Officer – Water Utility Enterprise

Santa Clara Valley Water District

Robert Pierce, General Manager West Stanislaus Irrigation District

Martine County Water District

San Benito County Water District

Rick Gilmore, General Manager Byron-Bethany Irrigation District

Randall S. Miles, General Manager Eagle Field Water District

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