House Natural Resources Committee

Oversight Field Hearing on "California Water Crisis and Its Impacts: The Need for Immediate and Long-Term Solutions."

March 19, 2014, 10:00 a.m. PDT at the Fresno City Council Chambers, 2600 Fresno Street, in Fresno, California

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The Madera County Farm Bureau (MCFB) is a representative member body composed of 1,200 members, 550 agricultural operations, and 170 agri-businesses. Madera County's top agricultural commodities include almonds, grapes, milk, pistachios, and cattle livestock operations. The 2013 gross agricultural value of Madera County agricultural commodities was $2,739,411,000.00 –ranking the County as the 10th largest agricultural producing county in the State of California, and the 16th largest agricultural commodity sector in the world[1]. Madera County has an agricultural production acreage exceeding 2 million acres; 1.5 million of those acres belong to irrigable agricultural practices.

Historically, Madera County agricultural production has been rooted in arid rangeland grazing to the East, along with permanent crops throughout the Central Valley floor, including vines and orchards. Due to rising crop values of permanent crops since 2003 however, Madera County is now largely dedicated towards permanent crop production, including almonds, pistachios, and grapes as of 2014[2]. This transition to a high percentage of permanent crops –in some places triple plantings taking place, has occurred at an extremely rapid rate, increasing in the County's irrigation demands.

Water usage for this shift in planting activities has been significant in contributing towards the need for a conjunctive use basin; the use of groundwater as well as surface water, and has nearly doubled the amount of surface water required for irrigation of these permanent crops and tripled the amount of groundwater required to sustain the deep root bases these commodities have. A significant amount of farmed areas in Madera County are entirely dependent on groundwater –to which is in a serious overdraft condition. It is estimated that by 2017, Madera County groundwater will be overdrafted by 200,000 acre feet (AF)[3].

Agricultural conversion –land being taken out of production and dedicated towards residential or municipal purposes, has also not only slowed, but by 2013 had been reversed in Madera County. Land

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[1] Madera County Ag Commissioner's 2013 Annual Crop Report (online at www.madera-county.com)

[2] Central Valley Farmland Trust 2014 Central Valley Review *pp. 244-258*

[3] Madera Irrigation District

that was zoned for residential housing purposes in the Madera County General Plan has now been placed back into Agricultural Zoning[4].

This new water burden associated with these agricultural practices in creating the critical groundwater overdraft condition is called subsidence in the most extreme cases. In the case of Madera County, this phenomenon occurs when so much groundwater has been pumped out that the physical sea level of the land is dropped. The upper aquifers that wells typically rely on have been depleted and growers are therefore drilling deeper –sometimes as much as 500 feet, to locate water. At this level, there is significant disruption to the Corcoran Clay layer, ultimately causing the land to succumb to a vacuum-like activity. Last year, Madera County saw an average drop of over 1 foot in land levels –with subsidence occurring at a rate of 18" per year on the County's West side[5]. It is important to note that typical groundwater aquifers are recharged once a significant rain event occurs, but subsided land does not. It can be compared to a plastic bottle literally being vacuumed sucked dry –but unable to be refilled.

Madera County is the top part of the Friant Water System, managed largely by the Madera Irrigation District (MID) and second to that the Chowchilla Irrigation District. The Friant Division is the central piece of the Central Valley Project plan and irrigates more than 1million acres on the Valley's east side. Beginning at Millerton Lake and dammed by Friant Dam, water is diverted through the Friant-Kern Canals to southern counties including Fresno, Kings, and Kern. Diverting water west towards the dryer eastern Madera and Fresno areas is the Madera Cross Canal[6].

The Central Valley Project (CVP), managed by the Bureau of Reclamation (Bureau), provided for the construction of Friant Dam in 1944. This Project set up the current system of exchanged water deliveries between the Sacramento and the San Joaquin Rivers. The Friant system's current practices of classification deliveries were also born from the CVP, specifically Class 1 and Class 2 water. Under normal conditions, 840,000 AF of Northern California water is delivered to the Mendota Pool via the Delta-Mendota Canal for use by west side agencies with historic San Joaquin water rights[7] –known as the exchange contractors. As a result, 800,000 AF of water may be diverted for the Friant water users on the eastern valley floor –which is classified as Class 1 water. An additional 140,000 AF of water is available for Friant contractors if and when it becomes evident that the needs of the Class 1 water will be met by that year's water supply. This 140,000 AF is designated as Class 2 water. This year, the Bureau of Reclamation has determined that the supply for Class 1 water is zero, and therefore, zero is also available for the Class 2 water users. This designation of zero is unprecedented and greatly impacts the future prosperity of not just Madera County agriculture, but the entire Central Valley. In addition, the Bureau's Operation and Maintenance costs have sky-rocketed to the local irrigation districts –as

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[4] Madera County General Plan Update 2013 *pp. 89-145*

[5] Central California Irrigation District (CCID) and San Joaquin Exchange Contractors, *2013 Merced and Madera Subsidence Study*

[6] Friant Water Users Authority, *Friant Division Facts* 2014 (online www.friantwater.org)

[7] *See above*

there is less water moving through the system bringing the cost per AF to astronomically high levels.[8] Even though the Friant users are receiving a zero allocation this year, they will be bearing a major portion of the O&M fees associated with the Central Valley Project in 2015.

Madera County Farm Bureau's membership is largely composed from Class 2 water users to the Friant system –to a much lesser extent Class 1. But it's a forgone conclusion at this point that most of our membership has been or is on the books to drill deeper wells in anticipation of this crisis. The waiting list for a well drill is over 13 months from the time of booking, and can exceed costs of $1Million. This figure –although staggering, is a far cheaper investment than losing highly productive almonds or pistachio orchards.

In addition to the raw economic affects this zero allocation of Northern California/Delta water brings to agricultural operators, the rural farming communities and labor services that go along with agriculture have been hit hard. Finishing the first quarter of 2014, due to lack of rain and available irrigation practices, nearly half of Madera County's temporary work force was left out of work or placed on temporary leave[9]. With no weeds to spray and any trees or vines to prune, Madera County faced a staggering increase in unemployment –from 11% on average to 26%[10]. Madera County's rural communities of Firebaugh and Mendota are slated to run out of municipal water by July this year.

Since the effects of the zero allocation to the Friant system by the Bureau of Reclamation have such far reaching consequences, the Madera County Farm Bureau is concerned that a full accounting of water supplies by the Bureau has not been made available. Some water continues to be made available to small rural towns that rely solely on Friant water for municipal purposes, understandably by way of a reserve called "Health and Safety Water," that was produced by shortening the restoration flows dedicated in the San Joaquin River Restoration Program[11]. The MCFB was pleased that restoration activities were curbed in January 2014[12]; however **it is critical that the amount of water saved and the Bureau's dedication of its uses be published as soon as possible, least a request demanding such information from the Bureau and the Department of the Interior be necessary**.

The aforementioned model of Friant water user classification and its efficacy had never been tested in a manner that actually involved a zero water allocation from the Bureau. It had however –been heavily theorized in a model developed by the Technical Advisory Committee(TAC) to the San Joaquin River Restoration Project (SJRRP), developed by way of the San Joaquin River Settlement Agreement (Settlement Agreement/SA). The MCFB maintains a seat on the Board of Directors at the Resource Management Coalition (RMC), to which public and non-public presentations are made by the Bureau of Reclamation on the status of the SJRRP to a collective group of San Joaquin River stakeholders, the Exchange Contractors, State Department of Water Resources, the U.S. Fish and Wildlife Service, the

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[8] Madera Irrigation District 2014 *O&M Charges and Fees Schedule*
[9] Madera County Economic Employment Department, *1st Quarter Economic Outlook, pp. 13-18*
[10] *See above*
[11] Madera Irrigation District *Friant System pp. 89*, San Joaquin River Restoration Program, *FEIR/EIS 2012 pp. 439*
[12] Bureau of Reclamation, SJRRP, Press Announcement (online at http://restoresjr.net/news/MP-14-012SJRRPCeaseFlows1MonthEarly.pdf)

National Marine Fisheries Service, and multiple irrigation districts. Throughout last year, the Bureau suggested through multiple reports[13] and letters from the State Water Resources Control Board (SWRCB) that a zero percent allocation was impending based on hydrological models. The planning for this event is therefore derived to be a contingency of the SJRRP, and the MCFB is deeply affected by its implementation. To fully understand the nature of how the Settlement Agreement (SA) affects MCFB and its members, a summary of the settlements key provisions is necessary. The SJRRP is a direct result of a Settlement (known as the SA), reached in September 2006 on an 18-year lawsuit to provide sufficient fish habitat in the San Joaquin River below Friant Dam near Fresno, California, by the U.S. Departments of the Interior and Commerce, the Natural Resources Defense Council (NRDC), and the Friant Water Users Authority (FWUA). The Settlement received Federal court approval in October 2006. Federal legislation was passed in March 2009 authorizing Federal agencies to implement the Settlement[14]. The Settlement is based on two goals:

Restoration: To restore and maintain fish populations in "good condition" in the main stem of the San Joaquin River below Friant Dam to the confluence of the Merced River, including naturally reproducing and self-sustaining populations of salmon and other fish.

Water Management: To reduce or avoid adverse water supply impacts to all of the Friant Division long-term contractors that may result from the Interim Flows and Restoration Flows provided for in the Settlement.

The MCFB and its members are greatly and frequently affected by the SA's water management strategies –which are directly influenced by the SA's restoration objectives. These two goals are often contradictory in nature and in a case like this year's extreme drought, have made the SA un-implementable by the State, the Federal Government, and those locally involved.

By way of example, the SJRRP's efforts to build habitat required for the reintroduction of anadromous fish has stalled for multiple reasons – however the plan to support a small population of transplanted fish has moved forward –without any of the infrastructure required to keep the fish alive. This took a significant amount of water out of the system for the Class 1&2 Friant water users heading into a critical drought year. The information can be summarized by the Bureau's designated Restoration Administrator, Tom Johnson in the following manner:

"The winter of 2013-2014 is shaping up to be one of the driest in California history…the opportunity to conserve unreleased Restoration Flows to support the Restoration Program in the future and improve water supplies in the region in this incredibly dry year **was** a consideration… ultimately, it was the… consensus that an early reduction of flows, **while not biologically beneficial in its own right, is**

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[13] *Draft Channel Capacity Report for 2014*, Bureau of Reclamation, presented at RMC
Permits 11885, 11886, and 11887 and License 1986 of U.S. Bureau of Reclamation, Letter from SWRCB dated October 21, 2013

[14] Bureau of Reclamation, SJRRP (online http://restoresjr.net/background.html)

biologically reasonable…given the anticipated sufficient water temperatures in critical areas of the river…[15]"

The MCFB contends that this practice, although discussed and determined legally under the confines of the SA, is a horrendous practice –effectively placing a non-existent population of fish over a very real and present population of people and agricultural businesses. The amount of water that was dedicated to the 2014 Restoration Flows was over 250,000 AF[16]. Although the MCFB appreciates that an overall "ramp down " of restoration flows occurred, this amount of water being dedicated to something that the Bureau's own panel of experts and scientists has claimed is pointless is a massive waste of water and precious wealth for the Central Valley.

The MCFB would like to offer a set of solutions to this water crisis, immediate and long term. These solutions have been tailored to the jurisdiction of this Committee, the House Natural Resources Committee –and should be viewed through its ability to enact change through its jurisdiction.

Immediate Water Crisis Solutions

I. Expedition of Water Deliveries by Maximization of Through Delta Pumping

The need for expedited water deliveries –specifically throughout the Delta and Mendota Pool is extreme and can be performed in real time. Achieving maximum flexibility in Delta export operations will be key in allowing the Bureau to meet Exchange Contractor substitute water supply operations, which is critical for Friant to be able to use whatever supplies may be generated (or stored) in the upper San Joaquin River watershed.

Water deliveries are presently being hampered by an inadequate definition of what is considered a protected v. threatened species under the Endangered Species Act. This Committee has the power to review and change this law to better define the nature of what an endangered species is AND the success criteria required for it to be delisted. This change, although controversial, may be considered to sunset by 2015, to at minimum allow some form of relief for farmers during this crisis.

This action would also bring the Tracy Pumping Plants back online at a greater capacity, providing much needed relief for the recirculation efforts on the San Joaquin River.

In addition to these immediate fixes, any and all water dedicated towards cold water promotion in attempts to minimize turbidity throughout the the Central Valley Project must cease immediately. This is a wasteful practice in the Delta, given the drastic need for all the water available to supply people and people's food supply.

II. San Joaquin River Restoration Plan Amendments (PL 111-11)

The SJRRP provides for a dedicated "cold water fishery" on the San Joaquin River, based on historical hydrographic data and evidence of previous cold water activities nearly 100 years ago. It was this biome that the SJRRP seeks to reproduce in the present day environment in an attempt to bring back anadromous salmon numbers. However, there

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[15] San Joaquin Restoration Program, Restoration Administrator Flow Recommendation, January 31, 2014, *"Recommendations for 2014 Restoration Flows"*

[16] *See above*

are numerous habitat necessities that will be required prior to implementing a cold water fishery –namely a high volume of water, side channel habitat construction and spawning gravel implementation, which at this time make this condition in the SJRRP unworkable[17]. This Committee has the jurisdiction to revisit PL 111-11, and develop a more logical time frame for which to implement these restoration objectives –but moreover, to delay any activities associated with it implementation in the next year – based on the critical water year. The SJRRP's goal of implementing restoration should also be based on minimizing a waste of taxpayer dollars as well as facilitating water deliveries to the Friant system.

Again, this action can be considered to sunset by 2015, to at minimum allow some form of relief for farmers during this crisis.

<u>Long Term Water Crisis Solution</u>

I. Investment in Water Storage Infrastructure

One of the greatest and most imperative solutions for long term drought crisis aversion is the development of storage throughout California. For MCFB members –and for most within the Friant system, the development of a storage facility in the upper San Joaquin River Basin (Project) would provide massive amounts of direct relief for 5 counties (Madera, Merced, Fresno, Kings, and Kern), more than 6 million acres of irrigable ag land, and over 1 million people. This is a bold statement, but upon elaboration more can be derived from its roots.

- Upper San Joaquin Storage Site has already been authorized by Congress[18]
- Project does not touch the Delta or is hindered by through-Delta conveyance
- Project is the strongest contender for a local cost share –not also requiring/needing a state cost share component
- Local irrigation districts will not or don't have to be required to pay for project

This storage site, colloquially known as Temperance Flat, regardless of the end use or ownership –is the only one in the cue that has the ability to bring water into the San Joaquin River system *directly*. This means that should the end purpose of the near 500,000 AF generated by the Project

The Bureau of Reclamation, in its January 2014 Feasibility Report[19], cited that the potential net effects of a storage project in the upper San Joaquin would," significantly contribute to the success of flow and therefore the success of a Chinook salmon population, known to be affected by water temperatures…" The MCFB views this benefit –although not directly benefitting farmers, as an overall benefit of the project thus contributing to more water system wide.

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[17] SJ Settlement Agreement, Case 2:88-cv-01658-LKK-GGH Document 1341-1 Filed 09/13/2006 Page 13 of 80

[18] *PL 108-7, Division D, Title II, Section 215, Omnibus Appropriations Act 2/2003*

[19] Draft, *<u>Upper San Joaquin River Basin Storage Investigation</u>*, Feasibility Report, January 2014

In summary, the drought crisis has been influencing catastrophic effects on members of the MCFB. We are estimating a total net loss of $65 million dollars in crop damage, $455 million in our labor forces, and nearly $275 million lost due to water lost on the exchange market. We hope that this Committee, through its jurisdiction can enact the immediate and long term solutions we've proposed.

The Madera County Farm Bureau appreciates the opportunity to provide testimony today. We have included a letter from our neighboring Farm Bureau, Tulare, to be included as part of the record.