



Meeting Summary

Joint Meeting of the California Water Commission and the California Board of Food and Agriculture

Tuesday, September 10, 2013

State of California, Food and Agriculture Building

First Floor Auditorium

Sacramento, California 95814

Beginning at 10:00 a.m.

1. Call to Order, Roll Call

Board President McNamara called the meeting to order at 10:00 am. A quorum of the California State Board of Food and Agriculture was present. Two members of the California Water Commission were present: Vice Chairman Joe Del Bosque and Commission member Adán Ortega.

2. Welcome

President McNamara said this was a unique opportunity for the Commission and Board to work together and welcomed the Water Commission.

3. Secretary's Report

California Department of Food and Agriculture (CDFA) Secretary Karen Ross released new revenue numbers for 2012 showing an increase in revenue for food processing and handling.

4. DWR Water Conditions Presentation

DWR Deputy Director Gary Bardini and Interstate Resources Manager Jeanine Jones presented information on state's water conditions and noted that DWR is working with CDFA and other state agencies on a water action plan. There are a number of challenges facing California - unreliable water supply, water shortage risk, ecosystem challenges, water quality, and how to plan for an unstable climate. There is also a need to measure performance at a state and regional level. Over the years, voters have financed many water management initiatives, resulting in regional successes with greater reliability and better flood management systems in the Central Valley and urban areas. DWR and the Delta Stewardship Council and others are working to address challenges in the Delta as well as statewide water management activities.

State agencies are working on key implementation issues. These include ways to improve transfers and system operations; increase efficiency and storage; strengthen flood control and risk reduction programs; and improve surface and groundwater quality. One area where DWR is

looking to make more progress is with improvements for water transfers and addressing shortages.

Jeanine Jones discussed DWR drought preparedness activities. Droughts develop slowly but California has now had two dry years so it is important to plan. The greatest economic impacts of drought have been associated with wildfire and forestry damages, not with urban and agriculture water uses. Those impacts are site specific. Large urban water agencies can manage three to four years of drought without huge impacts to consumers. The start of 2013 had record precipitation, followed by a record dry period which is using up the stored water in reservoirs. Jones showed a graph of current reservoir conditions and groundwater changes. If 2014 is dry, risks will include wildfire, small water system challenges, and minimal water allocations to some of Central Valley Project's (CVP) San Joaquin Valley agriculture water users. Statewide drought management challenges include assistance for marginal smaller water systems that depend on fractured rock groundwater sources, ability to monitor groundwater, and Delta conveyance. DWR preparations for a possible dry 2014 are underway including outreach to build support from all water users, analyzing groundwater information from CASGEM, and funding research-level seasonal climate change forecast for winter and rainy seasons.

Secretary Ross asked if part of the discussion is developing a drought water bank. Jones replied that most water agencies prefer to do their own transfers instead of having state involvement. This is impacted though by whether it is a long term transfers vs. short term transfer because of CEQA issues. DWR is not currently planning a drought water bank due to agency transfers. Ross asked is there a more efficient way to do transfers? Deputy Director Bardini said that we can provide guidance to agencies on more efficient transfers. This was difficult last year because heavy rain was followed by no rain so we need to improve the timing process. Other issues include: how to handle primary assessment and which type of transfer (land use, storing, and substitute) and how to streamline that process. Board member Dan Dooley (who previously served on the Water Commission) said he remembers hearing these same issues and complaints when he was on the CWC in the 1980s. It can take up to 18 months to approve a transfer so we need more streamlining. He has ideas and wants to look at integrated management planning and more efficient use of water.

Commission member Ortega said that, in terms of performance and to be efficient, we should consider the situation in 2009 when West side interests stored water stored in San Luis Reservoir and that water was exchanged with Southern California. This may be a good case study, since there is a certain element of efficiency that can be extrapolated and incorporated into statewide system efficiency.

5. Panel Discussion on California's Water Situation

Randy Record, Association of California Water Agencies (ACWA) President: ACWA represents 450 public water agencies. The Delta is the heart of California's water system. We need statewide solutions for conveyance issues and the Bay Delta Conservation Plan (BDCP) will

address long term issues. ACWA in coordination with DWR has convened a process to develop a statewide action plan, enlisting the help of a broad cross section of water interests. This is targeted for completion in September. Key elements are actions to promote groundwater resources and restrictions of surface water supplies, support for local groundwater management and groundwater banking and recharge projects, and water transfers which are especially important during dry years. The water transfer process needs flexibility and, because transfers take too long, a streamlined approval process. There is an opportunity for the water community to unite around the State Water Action Plan. Public financing is critical and ACWA supports a smaller bond that includes funds for groundwater cleanup, restore the Delta ecosystem, and improve water supply reliability statewide.

Mike Wade, California Farm Water Coalition: Agriculture in California has invested hugely to upgrade irrigation systems to improve food production. Even so, we do not grow enough fruit and vegetables to meet guidelines of USDA for every American. We need to grow more. Water issues transcend regions and tie directly to farm economy and water supply reliability. Water supply has been redirected for environmental purposes ahead of project water users including farms. These cuts lead to land fallowing and costs jobs. We need to make sure water supply solutions consider issues on the statewide perspective and California economy.

Chris White from Central California Irrigation District (CCID) provided background information about Exchange Contractors. CCID has been working on water conservation and transfers activities including drainage activities, San Joaquin River restoration program, joint water resources programs, and San Joaquin and Delta Mendota water authority work. Subsidence is a problem in his district. This is caused by clay collapsing; and extractions reduce pressures that support clays squeeze down. However, because of some actions to promote better land management, subsidence has been decreased by 50% and other pilot projects are being done to see if they can reduce help reduce subsidence. White also spoke about the need for more flexibility in water transfers and exchanges, support for local projects, and flexibility in routing the San Joaquin River Restoration Project flows.

Jason Peltier, Westlands Water District spoke about the importance of Delta exports. One-third of the irrigated land in the state gets water directly or indirectly from the Delta. We cannot lose sight of the regulations governing water supplies and what they can mean. Current projections are that if California has normal rainfall conditions from November 2013 to February 2014, CVP water contractors would have 0 or 10% allocations, depending on restrictions. Peltier was asked what decisions could be made to affect that impact, and what decisions could improve water supply for the year. Westside farmers have changed to drip systems and other crop shifts and removed irrigated land. There are tools that have been utilized to their limits in order to help ecosystem and fisheries. For the CVP, 40 million acre feet of water has been reallocated or reserved and redirected for fisheries, yet the results have been disappointing. Public conversations have begun on what can be done for next year and short term. Most solutions take more time. Farmers have few tools to accomplish their needs including taking land out of

production, pumping more groundwater, drilling more wells, buying expensive water (currently around \$800 per acre foot) on the market. Transaction costs are high and it is unreliable.

Tim O'Halloran, Yolo County Flood Control District: The district is not part of the CVP and has worked to develop self-reliance. Clear Lake Reservoir supplies their water. After this irrigation season ends, it will be about empty and farmers will depend on winter rains for supply. Yolo is a conjunctive use district, and seven out of ten can provide enough surface water. The water rate structure anticipates drought, uses pumps, still fallows and crop shifting, so they are in generally good shape. We must protect lifestyle and fisheries and habitat. Mr. O'Halloran discussed the Integrated Regional Water Management Plan by the Water Resources Association of Yolo County and described work on groundwater monitoring, surface water monitoring, subsidence monitoring, groundwater modeling, climate change model, environmental and aquatic habitat, topographic mapping, and graphic of monitoring programs. O'Halloran was asked how does the Sacramento Valley respond to drought? Responses include groundwater pumping, neighbor to neighbor transfers, internal management such as recycling, and crop shifting. Active water management includes a water management task force and drought preparation workshop in January 2013, and a policy paper prepared in August 2013 entitled, "Preparing for Drought in the Sacramento Valley."

Board President McNamara asked the panel what the Food and Agriculture Board can do to help address these problems? The panel discussed utilizing agencies' discretion for protecting fish, through working relationships with the Administration and new policies. State is overlooking the need for a stronger role- better engagement, understanding, and coordination. Waiting for biological opinions is not working and there needs to be some balance. Another asset of regulatory agency needs to be information used more wisely. Panelists said agencies could cut back on paperwork for planning purposes, streamline processes and use better information. The governor could help the public and agencies better understand the connection between water and the economy. Commissioner Del Bosque stated that it has become clear that when there is drought in one area, it impacts other areas. People sell water to higher bidders. He saw this in 2009, which was the first year below 25% water allocation. He said that some farmers may be back in that situation again. Have we learned anything or made any advancements? We have learned the need for interface meetings and understanding where everyone is at.

6. State Water Resources Control Board (SWRCB)

Victoria Whitney, Deputy Director for Water Quality at the SWRCB talked about the need for short term solutions to drought and water issues. Groundwater supply is 40% of the state's water supply and California uses more groundwater than any other US state. Many areas have overdrafted groundwater supply which results in different compositions of the soil and not the same water storage capacity. Not all stored water is able to be used before being treated and the State has limited regulatory control. Groundwater rights regarding pumping do affect water quality. Water transfers- part of the solution to drought but not only solution. Whitney described the role of DWR and the State Board to make certain findings prior to water transfers.

This can be an efficient process if DWR and the State Board receive all the necessary information in a timely manner.

7. Bay Delta Conservation Program (BDCP)

Karla Nemeth, Project Manager for BDCP described the progress being made on the proposal which will be presented as a public draft in October. The plan embraces dual goals mandated by Legislature in 2009. BDCP seeks a 50-year permit process. The plan includes 22 conservation measures including the new conveyance system that would tunnel beneath the Delta and put water into the Clifton Court Forebay. The BDCP provides new criteria for the operation to limit the entrapment of fish in State Water Project pumps in the South Delta and improve Delta flow. The plan includes operating criteria in the Central Delta, and gates to help migrating salmon. It also includes diversions in the Sacramento River. During wet years, agencies want to be able to move water without harming species and bring flexibility to the system. Another key component is habitat restoration. This includes 65,000 acres of tidal marsh. The magnitude of the habitat restoration is something they want to work on with other agencies. Floodplain restoration is a habitat restoration that has more scientific certainty than others. New floodplain restoration along the San Joaquin is being considered. Issues still being worked on in the plan include governance and financing. Water users are proposed to pay for a portion of the 22 conservation measures. Financing plan assumes things about public dollars and that needs to be addressed. The plan has a higher standard due to its intent to recover species.

The estimated project cost is \$24 billion over 50 years. The cost of the infrastructure facilities is about \$13.3 billion which would be paid for by water users. This translates into an increase of about \$200 dollars per acre foot. That is based on the most conservative estimated water yield from the system. Nemeth was asked which CVP users are included in that estimate, and responded that it is users from existing Tracy pumping plant, and doesn't include Exchange or Friant contractors.

Currently, state and federal water pumps in the Delta cannot operate as designed because they cause reverse flows and pull fish in. There are 57 species of fish being protected in the plan. Commissioner Del Bosque asked if the state and federal agencies will continue to operate pumps in the South Delta? Nemeth said they will under this plan, and that will help with water quality.

Is there a collaboration to work with the SWRCB and their action plan for San Joaquin and Southern California? Nemeth said that Resources Agency is working with the Board in a variety of capacities. The project will get a permit from the Board and the Board is a part of environmental document review.

Nemeth was asked about the existing levees in the Delta and responded that the plan envisions continuing investments on levees. That is part of a broader implementation strategy that needs to move forward. She said that the Delta Stewardship Council is working on a levee investment strategy as well.

Secretary Ross asked about the Delta Protection Commission and what the Food and Agriculture Board could do. Nemeth said that after documents are produced later this fall, there will be a series of public meetings around the state in the beginning of the year. Participation in those is a great way to have voices heard from the agriculture community.

9. Panel of Growers

Marvin Meyers, stated that almonds are growing in the CVP areas with only a 20% water supply which is 4/10 of an acre foot. The supplemental water on the market in the beginning of the season was \$350 an acre foot and is now \$1,500 an acre foot. A lot of desperate growers were looking for supplemental water because none was available. He is fortunate to have a groundwater banking system has been able to sell some of the water to other growers, about 5,000 acre feet this year, which allowed some of them to have a reliable water supply. The yields suffered somewhat by 10% and sizes are smaller. Surface water deliveries grow larger almonds. The Bureau of Reclamation has notified the districts that with a normal precipitation year in 2014, there will be allocations of 0 to 5%. Meyers said that 5% does not do a lot of good if a grower has not figured out how to lock in supplemental water, wells must be dropped deeper, subsidence, etc. Meyers was asked why he has so many almonds planted in CVP service areas if he does not know how much water he will get. Meyers said the area used to be farmed for cotton but that became too expensive to water so it was changed into almonds and they invested in a groundwater bank in the Mendota area. This area is conducive to recharge and about 10,000 acre feet can be extracted per year.

Joe MacIvane of Paramount Farms said that state agencies and government may have some influence in certain places and should use it to improve water supplies. He believes that transfer of non-project water through the Delta is an arbitrary provision and there are other ways to protect species. Creating joint place of use would streamline the process. Biological opinions have been ruled unlawfully strict and there are different ways to approach those depending on regulations. There is the option to start with low pumping and increase it incrementally or start pumping at the top of the permitted level and decrease it incrementally if a problem arises. We need to look at other reasonable approaches to protecting the fish. The month of May is too late to be changing the water use policy for next year, regardless of how the water year turns out. Good planning and investments in water use efficiency improvements are needed.

Kris Beal of the Vineyard Team spoke about Paso Robles Groundwater Basin conditions and solutions. She described prior and current efforts include studies, model updates, broader stakeholder processes, and expansion of well monitoring network, level of security and urgency ordinances. The Vineyard Team's mission is to engage diverse stakeholders, track and implement new practices, research, demonstration, education, programs based on science and voluntary and based on good information, and incentivize farmers who are generally resistance to report water use. Working with a framework developed by Cal Poly in which growers submit anonymous irrigation records, they were able to compare actual applied water vs. targets and

provide feedback to growers. Collecting pumping records represents a huge commitment by growers to dealing with the groundwater conditions in the basin.

John Sweigard from Merced Irrigation District spoke about the Merced River and Chinook salmon. Agencies should have to be held accountable for their water use, not just end users like farmers. The MID community is concerned that they are being responsible for what they can control and being targeted for stressors occurring in the salmon's lifecycle that they have not caused. The district is looking at advanced conjunctive water management programs including fishery management and hatcheries. Agencies need to report on not only their water info but also on stressors. There are things that agencies can do that are not all water-related that can improve stressors, but right now there is no coordinated resource management plan.

10. Public Comment

Melinda Terry representing North Delta Water Agency: The Board and Commission need to hear more about BDCP and 48 unavoidable impacts. There are important impacts that will hurt agriculture related- water supplies and water quality. She briefly described some of the negative impacts to land and agriculture production in the Delta that will occur from construction of the BDCP and she recommended the Board have future meetings on the subject.

Charlotte Mitchell from Sacramento County Farm Bureau echoed Melinda's comments and urged the Board and Commission to delve into the Delta issues because it is a statewide problem.

Rogene Reynolds is a Delta resident. She said that Delta agriculture was not represented on today's panels but should have been heard. CDFA is an advocacy board for all agriculture. She invited the Board to see her property and discuss the impacts that will be felt from BDCP.

11. Closing

Commission Member Del Bosque thanked the Board and said he will relay what was said here today to the remainder of the Commission and develop thoughts on what to do for drought preparedness.

President McNamara adjourned the meeting at approximately 3:10pm.