

Monthly Briefing

A Summary of the Alliance's Recent and Upcoming Activities and Important Water News

Alliance Testifies On Title Transfers

The Family Farm Alliance was invited once again to testify before a congressional committee, this time on new legislation that would make it easier to transfer non-complicated water projects from the federal government to local authorities.

Two days after Rep. McMorris Rodgers (WASHINGTON) introduced the "Reclamation Title Transfer Act of 2008", Alliance Executive Director Dan Keppen testified in strong support of the bill.

"The Alliance believes title transfers are a positive means of strengthening control of water resources at the local level," Keppen told the House Water and Power Subcommittee on September 26.

"They also help reduce federal costs and allow for a better allocation of federal resources."

Over the past 10 years, the Alliance has worked closely with Reclamation on both individual title transfers and on title transfer policy. Since 1996, more than two dozen Reclamation projects have been transferred or authorized to be transferred to local entities. Those local agencies are usually the irrigation or water district that has fulfilled its obligation to pay for construction of the project.

"We have found that other irrigation districts are interested in acquiring title to Reclamation facilities," Keppen testified. "Experience throughout the West demonstrates that when control of projects is

assumed by local interests, the projects are run more cost effectively."

The "Reclamation Title Transfer Act of 2008" reflects the collaborative work of the Alliance and other water and power groups. In general, the legislation authorizes the Interior Secretary (Secretary) to set up a framework in which Reclamation can administratively transfer small-scale facilities to local ownership without congressional approval. The bill is meant to apply to simple transfers to water districts. It is assumed that complex transfers would still have to be considered by Congress.

The bill requires the Secretary to include specified eligibility criteria as part of the overall title transfer framework. The bill explicitly states



Rep. Cathy McMorris Rodgers, sponsor of new title transfer bill.

that the Secretary must comply with all applicable federal laws (including the Endangered Species Act and National Environmental Policy Act) before conveying title. Although Congress would not approve the title transfers envisioned in this bill, Reclamation is required to submit a detailed implementation report to Congress two years after enactment.

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Financial Crisis Impacting Water Legislation

The fate of an important Congressional legislative package is at risk due to election politics and failing financial institutions. As this edition of *The Monthly Briefing* was going to the presses, Congress was struggling to wrap up its work and recess so Members could return home

to prepare for the elections. The debate over the financial system bailout package has forced the House and Senate to continue working over the weekend and into the early part of this week.

Earlier this month, President Bush had threatened to veto a continuing resolution

that extended beyond November because he wants a lame duck session so that Congress can complete consideration of a Columbia Trade Agreement. The Democrats have said for months that they do not want to return after the election, and the President's position on

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Alliance Members Honored for Work on “M4E”

Several leaders of the Family Farm Alliance were recently recognized for their involvement in the Bureau of Reclamation’s “Managing for Excellence” (“M4E”) program. Five members of the Alliance Advisory Committee and the organization’s executive director were thanked in a letter prepared by Kris Polly, who was serving as Deputy Commissioner of the Bureau of Reclamation (Reclamation).

Polly was promoted to acting Interior Department Deputy Assistant Secretary for Water and Science several weeks ago.

“Your insight and experience throughout this process has enhanced our efforts to improve communication with stakeholders and customers,” Polly told the recognized contributors. “The collective perspectives received proved critical to the success of this major undertaking.”

Eleven individuals involved with Western water and policy matters were recognized by Reclamation. Five are members of the Family Farm Alliance Advisory Committee, including Jim Broderick (COLORADO), John Sullivan

(ARIZONA), Bill Plummer (ARIZONA), Norm Semanko (IDAHO), Bob Stackhouse (CALIFORNIA).

Alliance Executive Director Dan Keppen (OREGON) was also recognized.

“Managing for Excellence” is Reclamation’s response to *Managing Construction and Infrastructure in the 21st Century Bureau of Reclamation*, a comprehensive report completed two years ago by the National Research Council (NRC) of the National Academy of Sciences. The “Managing for Excellence” Action Plan lays out 41 specific action items.

Executing the action plan has been a primary initiative for Reclamation over the past two years.

“Our organization has played a key role in this process since the inception of the NRC effort,” said Keppen. “Because of the efforts of these gentlemen and others on our Advisory Committee, I believe that the Family Farm Alliance is seen as a driving force in the Managing for Excellence process.”

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M4E Action Plan

“Your insight and experience throughout this process has enhanced our efforts to improve communication with stakeholders and customers.”

Kris Polly
Dep’t of the Interior

Uncertain Fate for Important Omnibus Bill

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on the issue has been weakened by the financial system crisis because he needs the cooperation of the Democratic Leadership of Congress to enact a bailout package.

The decision on whether there will be a lame duck session is important because that session is the only opportunity for action on an omnibus natural resources bill (S. 3213) that contains several pieces of legislation important for Western water agencies. Key provisions include the Lower Colorado River Multi-Species Conservation Plan (MSCP), the New Mexico Navajo settlement, Mancos Project Rehab (See Page 3), California’s San Joaquin River settlement, and legislation that would improve inspections of Bureau of Reclamation facilities in urbanized areas and authorize fund-

ing for extraordinary operation and maintenance repairs.

Senate Committee leaders determined last week that they would not be ready to bring the natural resources package to vote before the election, mainly because of opposition from some fiscally conservation legislators who oppose virtually all bills authorizing new federal spending. The committee said that it would assemble the package for action in the lame duck, if one is scheduled. If there is no lame duck session and the omnibus package is not passed before the election, it will die. In that case, the MSCP bill and other measures in the omnibus would have to be re-introduced when the newly elected Congress convenes early next year.

Mancos Project Bill Passes Committee

The omnibus package passed by the Senate Energy Committee earlier this month (see related story, Page 1) also included a bill intended to save critical water infrastructure for the residents of the Mancos Valley and Mesa Verde National Park (COLORADO).

The bill (HR 3437- The Jackson Gulch Rehabilitation Act of 2007) is needed to extend the life of the aging Mancos Project on the Mancos River north of Mancos in Montezuma County. The Jackson Gulch reservoir supplies water to the town of Mancos, the Mancos Water Conservancy District, the Mancos Rural Water Company and is the sole supplier of municipal water for Mesa Verde National Park. The project provides irrigation water for over 13,000 acres.

This bill would authorize federal funding to rehabilitate the Jackson Gulch irrigation canal.

"I'm excited to see the House move this important bill forward," Gary Kennedy, Superintendent of the Mancos Water Conservancy District noted. "Without this legislation we stand a significant chance of losing this whole project and the water supply our families, farms and Mesa Verde all depend on."

"Managing for Excellence" Kudos

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Alliance members and other water and power representatives are currently working on the latest product from the "Managing for Excellence" process. Reclamation is drafting a "Coordination and Oversight Group" (COG), which is a new business model to "right-size" Reclamation for the 21st century, and a new customer collaboration policy.

"Right-sizing of the Bureau of Reclamation is one of the more important issues for many water and power customers," said Keppen. "It will require much planning and oversight to maintain the appropriate mix of technical competence at Reclamation offices throughout the West."

The Alliance and other water and power organizations are concerned about the proposed COG, which would bring together Reclamation officials to periodically review data agency-wide, and as appropriate, recommend staffing and/or organizational changes. Cost and performance reporting and analysis would also be the responsibility of the COG.

"We are concerned that management effectiveness might be compromised when decisions are made by committee," said Bill Plummer, a former Reclamation regional director and current member of the Alliance Advisory Committee.

In response to these concerns, Reclamation has committed to meeting with its water and power partners before proceeding with the COG to better provide users with the opportunity to review COG function.

Another recent important development stemming from "Managing for Excellence" is progress made on Reclamation's collaboration policy. Reclamation intends to memorialize how it plans to communicate and collaborate closely with its customers and stakeholders and to identify and provide opportunities for effective participation, where appropriate, to meet Reclamation's mission.

"We are very pleased that Reclamation appears to be serious about looking for ways to foster a participative relationship and to provide quality service," said Keppen.

California Water World Loses Robert Stackhouse

Long-time Family Farm Alliance Advisory Committee member Bob Stackhouse (CALIFORNIA) passed away Saturday, September 27, 2008, while at home with his family in Sacramento. He had fought cancer for the previous 17 months.

Earlier this month, Bob announced his resignation as general manager of the Central Valley Project Water Association (CVPWA) and the Alliance Advisory Committee, where he had served for the past 6 years.

"Bob put up an incredible fight in

the past 17 months, all the while giving his best energies to CVPWA and the Alliance," said Dan Keppen, Family Farm Alliance Executive Director. "Our prayers are with our good friend and his family at this sad time."

Bob's friends and family are invited to a "Celebration of Life", which will be held in the memory of Robert Stackhouse on Thursday, October 2, from 4:00 – 7:00 p.m. at the Holiday Inn (Aviator Room), 5321 Date Avenue, Sacramento, California.



Bob Stackhouse, Commissioner Johnson, Alliance Executive Director Keppen and Dave Carlson at Hoover Dam in July 2006.

House Economic Stimulus Proposal: \$300 Million for Aging Western Water Infrastructure

Before the Wall Street financial crisis hit last week, House Democratic leaders had hinted at a second economic stimulus package to be considered before Congress leaves this fall. Among other elements, the new stimulus package would include more infrastructure funding. For the second time this year, House Water and Power Subcommittee Chairwoman Grace Napolitano (CALIFORNIA) sent a letter to Appropriations Committee leaders requesting that water-related infrastructure be given attention as leaders in the House consider additional actions to stimulate the economy.

In her September 10, 2008 letter, Chairwoman Napolitano requested consideration of three infrastructure requests: 1) Infusion of funding into the Bureau of Reclamation's Title XVI program for water reuse and recycling programs; 2) Financial assistance for major Reclamation infrastructure repairs; and 3) Funding activities to fight the spread of Quagga mussels in Western water bodies.

The Chairwoman's second request comes at a critical time. Reclamation built and manages the largest part of the critical water supply infrastructure that is the foundation of the economic vitality of the 17 Western States. Much of this federally-owned infrastructure is now 50-100 years old, approaching the end of its design life, and needs to be rebuilt and rehabilitated for the next century. The Congressional Research Service has calculated the original development cost of this infrastructure to be over \$20 billion, and Reclamation estimates the current replacement value of its wa-

ter supply and delivery infrastructure at well over \$100 billion.

"Federal water supply systems are critically important to Western communities, farms, and the environment," said Alliance President Patrick O'Toole (WYOMING). "These facilities are an essential component of the nation's food-production system and their operation helps ensure our ability to provide reliable and secure food for its own citizens and the rest of the world."

With Congress soon to depart, it is possible that the Senate may vote on a stimulus package introduced by Senators Reid and Byrd. Included in that bill is \$300 million for Bureau of Reclamation "capital improvement projects", including rural water projects. Of this total, \$126 million would fund water re-use projects. Reclamation would receive \$50 million to rehabilitate its hydropower facilities. Reclamation could also use up to \$5 million of the funds to launch a canal safety program that would assess the condition of water supply canals.

Although the chances for passing the stimulus package are growing increasingly slim, water users are encouraged by the attention being paid to this important issue.

"We appreciate the efforts of Chairwoman Napolitano, Ranking Member Rep. McMorris Rodgers, and the rest of the Water and Power Subcommittee for drawing attention to our aging infrastructure challenges in the past two years," said Alliance executive director Dan Keppen.

"In many cases, the cost of rehabilitating the infrastructure far exceeds the initial costs of the project. This poses a significant financial burden on the beneficiaries of the projects who are required to pay for repairs and rehabilitation. I respectfully request that you consider financial assistance for these major infrastructure repairs."

**Rep. Grace
Napolitano**

**Chairwoman, House
Water & Power
Subcommittee in
9/10/08 Letter to
House Appropriations
Committee**



**Rep. Grace Napolitano (D-CA), Chairwoman
of House Water and Power Subcommittee.**

Photo Courtesy of Rep. Grace Napolitano

Opinion: Pacific Institute Study Misses Mark

By Dan Keppen, Executive Director, Family Farm Alliance

After months of fighting between state legislators over the degree of new water infrastructure needed in California, with economic disaster hitting water-short San Joaquin Valley farmers, an oh-so-simple solution to the state's water crisis has been offered up by a think tank in Oakland.

The Pacific Institute, which claims that it "works to advance environmental protection, economic development and social equity", appears to have things figured out. A report they released this month – entitled "More with Less" – claims that by changing what crops are grown and how California farmers grow them, the state can achieve "substantial water savings". Perhaps the Institute report's conclusion that these projected water savings can be done for "far less than building new, centralized water storage" will assuage the consciences of Sacramento legislators who appear once again to be unable to reach agreement on supporting new water infrastructure for the state.

The arguments against the theoretical findings of the Institute are strong and I suspect those arguments will be widely backed by agricultural economists and irrigation experts in the coming weeks. Farming and water user groups are already weighing in.

The report "completely ignores some of the most pressing problems facing California resource managers," said Tim Quinn, Executive Director for the Association of California Water Agencies.

Mike Wade, with the California Farm Water Coalition, is critical of the report's recommendation that crop choices would be driven by policy maker and not the market. Wade likens this to telling a restaurant, "You have to be a shoe store because it uses less water."

Other parts of report are flat out alarming, such as the proposal to permanently retire 1.5 million acres of farmland in the San Joaquin Valley. The Pacific Institute report does not delve into the impact this will have on the people and community infrastructure they support, other than assuring the reader that "impacts on agricultural workers and the local community...should be mitigated."

The Pacific Institute report correctly notes that farmers have been moving in the right direction for decades, growing more food with less water under difficult conditions. That acknowledgement, at least, is encouraging. For example, in the last 20 years, Westlands Water District farmers have modified their irrigation programs to maximize limited water supplies. Those San Joaquin Valley farmers continue to have one of the highest seasonal application efficiency ratings in the nation.

With that said, it appears that Pacific Institute expects California farmers to continue to conserve right up to the point that the state no longer has a viable agricultural base. The California Dep't of Conservation indicates that more than 1 million acres of farmland in the state was converted to new residential and commercial uses, between 1988 and 1998 alone. Farmers and ranchers are getting pinched, particularly in the Central Valley, where some of California's most productive farm counties are witnessing an eroded land base and dwindling water supplies.

Farmers, ranchers and rural communities cannot provide the water supplies needed for the Western population boom without ruining their own communities and businesses. Farmland is disappearing at a time when the U.S. needs a stable domestic food supply (just as it needs a stable energy supply). Society should reject an approach which relies on shuttering farming communities to meet new water demands associated with urban growth and the environment.

At what point will too much agricultural land be taken out of production? Do we want to rely on imported food for safety and security? The Europeans, who have starved within memory, understand the importance of preserving their food production capability. They recognize it for the national security issue that it is.

California irrigators recognize that water use efficiency is part of the solution needed to address the state's water challenges. They have a four-decade track record to prove it. However, additional water use efficiency actions must be coupled with needed improvements in water storage and conveyance.

And those actions must be practical, and not lead to further hardship for California's rural communities.

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