

Monthly Briefing

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

Water Allocation: Zero Percent

For the first time in the history of California's Central Valley Project, it appears almost certain that farmers will receive no water from the Project.

Zero.

The U.S. Bureau of Reclamation on February 20 issued its 2009 initial water allocation for Central Valley Project (CVP) water contractors. Reclamation traditionally expresses the monthly forecast as a percentage (see summary table) of the contract total for each of the contract categories.

Despite recent rain and snow events, the state's water conditions remain well below average for this time of year and water officials still project a third dry year.

Farmers in the Westlands Water District have already

begun destroying thousands of acres of almond orchards and plan on fallowing over 300,000 acres of land.

"Wherever possible, almond production will be stunted in hopes of keeping the trees alive through this desperate time," said Tom Birmingham, Westlands General Manager. "But there is no question that many years worth of investments will be lost."

The human impact is worse. The latest estimates from economists with the University of California, Davis, predict that upwards of 75,000 people will lose their jobs this year and more than \$2 billion will be lost from the San Joaquin Valley's economy because of the combination of drought and regulatory restrictions on water deliveries.

"At a time when everyone across the nation is talking about economic stimulus, it is ironic that we are hit with this huge economic suppressant when Fresno County and its residents -- already plagued with high unemployment -- can least afford it," the Fresno County Farm Bureau said in a written statement.

The Sacramento-San Joaquin Delta and Shasta Reservoir serve the west side of the San Joaquin Valley. Extremely dry conditions in Northern California and implementation of a series of environmental regulations and pumping restrictions in the Delta have created an unprecedented 0% allocation for CVP water users south of the Delta. Likewise, this is the first time water districts north of the Delta (in the

Sacramento Valley) will receive a 0% water allocation. Also, because of long-held historic water rights to the San Joaquin River, Exchange Contract districts have entitlement to San Joaquin River water to make up any shortfalls, which could impact the surface water supply for the east side Friant districts.

"This is not merely a natural disaster," said Birmingham. "It is the product of a broken water system that has been neglected for too long. It is the inexorable result of an inflexible regulatory regime that makes all of our water conveyance problems worse. In the months ahead, hundreds of thousands of Californians will be paying the price for the state's failure to address the need for water."

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**Figure 1: Mid-Pacific Region
Initial Water Year 2009 Supply Forecast
February 20, 2009 Source: Bureau of Reclamation**

Probability of Exceedence Forecasts	Percent of Historical Average Sacramento Valley Index & Year Type	North of Delta Allocation				South of Delta Allocation			
		Ag	M&I	R	WR	Ag	M & I	R	W R
Dry Forecast (90%)	41% Critical	0%	50%*	75%	75% ^{**}	0%	50%*	75%	77%
Median Forecast (50%)	55% Critical	10%	60%*	10%	100%	10%	60%*	10%	10%

Ag—Agriculture M&I—Municipal & Industrial R—Refuges WR—Water Rights

Alliance Annual Conference Final Schedule

Challenges and Opportunities of Our Times – Our Legacy for the Next Generation

MARCH 5, 2009 GENERAL SESSION - Monte Carlo, Las Vegas

Thursday, March 5

7:30 a.m.	Registration Desk Open	11:45 a.m.	Luncheon—Update on Alliance Initiatives Dan Keppen, Executive Director. “Public Perceptions, Preferences and Values for Water in the West” , Reagan Waskom, Director, Colorado Water Institute, Colorado State University
8:00 a.m.	Welcome – Opening Comments Patrick O’Toole, President		
8:20 a.m.	“The California Water Crisis” Moderated by Jason Peltier (Assistant General Manager, Westlands Water District). Includes Dan O’Hanlon (Sacramento attorney); Sandy Denn (Northern California rice farmer and Glenn-Colusa Irrigation District board member); Dan Errotabere (West San Joaquin Valley farmer and President of Fresno County Farm Bureau); and Ron Jacobsma (Friant Water Authority general manager).	12:45 p.m.	Break
		1:00 p.m.	Keynote Address – “Working Together to Achieve Tribal Water Rights Settlements” - John Echohawk , Executive Director of the Native American Rights Fund, and member of President-elect Obama’s Energy and Resources Transition Team.
		1:30 p.m.	Inside Washington – A Look at DC from The Hill. Moderator: Joe Raeder, The Ferguson Group. Panelists will feature staff from key congressional water committees.
9:50 a.m.	Break	2:30 p.m.	Break
10:05 a.m.	“That Dog Won’t Hunt: Using IQA to Rein in Agency Deference” – Brenda Davis, Davis Law Firm, Sacramento, California. Introduction: Gary Sawyers, Counsel, Family Farm Alliance.	2:45p.m.	“The West’s Aging Water Infrastructure” Mark Limbaugh, (The Ferguson Group, DC); Tom Donnelly (National Water Resources Association, DC), Larry Mires (St. Mary Facilities Working Group, MT), Shannon McDaniel (South Columbia Basin Irrigation District, Pasco, WA). Moderated by Dick Moss (Provost & Pritchard, Visalia, CA)
10:30a.m.	“My Time in the Bush Interior Dep’t” – Kris Polly, former Deputy Assistant Secretary, U.S. Department of the Interior.	4:15 p.m.	“The 30 Year Challenge: Agriculture's Strategic Role in Feeding and Fueling a Growing World” . Sheldon Jones, Vice-President, Farm Foundation. Introduction: John Sullivan, Salt River Project.
10:55 a.m.	“Infrastructure by Design: Incorporating Conservation into Water Development” – Michael Powelson, Director of Agency Relations, Western U.S. The Nature Conservancy. Introduction: Patrick O’Toole, Executive Director, Family Farm Alliance	5:15 p.m.	Alliance Annual Meeting
		5:30 – 7:00 p.m.	Reception —featuring live cowboy poetry read by Linda Huffa.

Alliance Annual Conference Final Schedule

Challenges and Opportunities of Our Times – Our Legacy for the Next Generation

MARCH 6, 2009 GENERAL SESSION - Monte Carlo, Las Vegas

Friday, March 6

- 7:00 a.m. **Registration Desk Open**
- 7:45 a.m. **“Ag-to-Urban Water Transfers”**
Don Schwindt (Family Farm Alliance), Jennifer Pitt (Environmental Defense Fund), Mark Pifher (Western Urban Water Coalition), Larry Dozier (Central Arizona Project). Moderator: Rick Brown, CDM.
- 9:15 a.m. **“The Council for Endangered Species Act Reliability”** – Julie MacDonald, MacDonald Consulting, Washington, D.C. Introduction: Dan Keppen, Executive Director, Family Farm Alliance
- 9:45 a.m. **Break**
- 10:00 a.m. **Reclamation Roundtable**
Regional Directors Will Join the Acting Commissioner of Reclamation. Bill McDonald (Acting Commissioner of Reclamation) Larry Walkoviak (Upper Colorado River Region). Lorri Gray (Lower Colorado River Region). Tim Personius, (Acting RD, Pacific Northwest Region). Don Glaser (Mid-Pacific Region). Mike Ryan (Great Plains Region) Introduction: Patrick O’Toole, President, Family Farm Alliance
- 11:45 a.m. **Award Presentation, Closing Comments and Adjournment.**
Patrick O’Toole, President



The Challenges and Opportunities of our Times:
Our Legacy for the Next Generation
2009 Family Farm Alliance Annual Conference
March 5-6, 2009
Monte Carlo Resort & Casino
Las Vegas, Nevada
For more information, please contact us at 707-998-9487 or ffameeting@aol.com.



Keynote speaker
John Echohawk
(Photo courtesy of NARF)

Conference information and registration forms can be downloaded at www.familyfarmalliance.org

Stimulus Package Includes \$1 Billion for Bureau of Reclamation

The massive economic stimulus package passed by Congress and signed by President Obama earlier this month contains over \$5 billion in appropriations aimed at addressing critical water resources investments. For water infrastructure, the bill provides \$4.6 billion to the Army Corps of Engineers (Corps) and \$1 billion to the Bureau of Reclamation (Reclamation).

Dan Keppen, executive director of the Family Farm Alliance, said the funding for upgrading water infrastructure, including irrigation canals, is welcome news. "When you look at Reclamation's projects in the West, the majority of them are 50 years or older," he said. "And we don't have the grant programs local entities need to fix these things."

A breakdown of Reclamation-related stimulus spending can be found on page 6 of the *Briefing*.

On the energy side, the bill provides a total of nearly \$33 billion for smart-grid work, Energy Efficiency and Conservation Grants, Weatherization Assistance Program grant, efficiency and renewable energy research, advanced vehicle battery production and loan guarantees for wind and solar projects and renewable energy transmission projects.

"The United States is facing its deepest economic crisis since the Great Depression, one that calls for swift, bold action," the House and Senate Appropriations Committees said in a prepared statement after the American Recovery and Reinvestment Act was signed into law. "The goals of this legislation are the same as they have been from day one: to strengthen the economy now and invest in our country's future."

The final stimulus legislation is a

compromise between the House- and Senate-passed versions of the bill. The compromise legislation was developed by Members of a joint House-Senate conference committee ("Conferees") and brought to the floors for a final vote in the form of a "Conference Report," which is actually the legislation and should not be confused with the "committee reports" that accompany

the statement of managers also explains what elements of the House and Senate bills are included, changed or eliminated from the final compromise.

"Statements of managers do not have the force of law," said Joe Raeder, of the Ferguson Group. Raeder is the Family Farm Alliance representative in Washington, D.C.



President Obama signs the American Recovery and Reinvestment Act into law earlier this month.

The Statement of Managers for the stimulus bill conference report includes the following direction to the Corps and Reclamation for the allocation of stimulus funding for their water projects and programs. Programs, projects or activities should:

- (a) Be obligated/executed quickly;
- (b) Result in high, immediate employment;
- (c) Have little schedule risk;
- (d) Be executed by contract or direct hire of temporary labor; and
- (e) Complete either a project phase, a project, or will provide a useful service that does not require additional funding.

Notably, the conference report extends to up to 50 years the allowable repayment period for the

reimbursable costs of extraordinary maintenance and rehabilitation projects carried out with stimulus money.

"We hope that Reclamation will employ these provisions expansively," said Keppen.

The conference report requires that extended repayments be made with interest.

In an effort to influence how the stimulus provisions will be implemented, the Alliance this month also submitted recommendations to the Secretaries of Agriculture and the Interior (see related story, Page 5).

other bills.

Unlike conference reports, *committee* reports are not legislation and so do not have the force of law. Their function is to explain the intent of legislation and provide direction for its implementation.

When a House-Senate conference report, such as the final stimulus bill, is brought to the floor for a vote, it is accompanied by a document called a "Statement of Managers" that serves the same purpose as a *committee* report in that it explains the intent of the compromise legislation and provides direction for implementation of the legislation by the federal agen-

Alliance Transmits Letter to Secretaries

Recommendations Build Upon Western Water Policy Report

The Family Farm Alliance on February 9, 2009 formally transmitted recommendations to Interior Secretary Ken Salazar and Secretary of Agriculture Tom Vilsack for aging water infrastructure projects and the economic stimulus package.

"The Alliance believes that the economic stimulus proposals being considered by Congress present a unique opportunity to make the investments necessary to secure a more reliable water supply infrastructure for the West, while creating jobs and opportunities in economically distressed rural areas," said Alliance President Patrick O'Toole, a Wyoming cattle and sheep rancher. "Repairing and modernizing our western water infrastructure also will directly address some of the West's vexing water supply problems by improving water resource management and conservation. These in turn will produce greater energy efficiencies and will provide more flexibility to meet environmental needs, thereby alleviating conflict."

Key recommendations proposed in the February 9 letter include:

For the Bureau of Reclamation:

- Rehabilitate and Improve Aging Reclamation Infrastructure, using direct loans, loan guarantees, and extended repayment provisions. Reclamation should aggressively outsource design, engineering and environmental work whenever feasible, economical and necessary to speed project implementation. Reclamation should provide funding to speed implementation of current and ready-to-go Safety of Dams Program projects. Stimulus funding should also be directed toward rapid development and implementation of projects to improve water management and delivery facilities in urbanizing areas;
- Improve Drought Management Through Water Management / Conservation / Reuse;
- Fund "Shovel-Ready" Title XVI Water Reclamation & Reuse Projects;

- Provide Clean Water to Rural Areas through implementation of ready-to-go rural water projects, including those already under construction, or "at risk" facilities.

For the Department of Agriculture, Natural Resources Conservation Service (NRCS):

- Provide grants and loans for local water management, conservation and infrastructure improvement projects through the Watershed and Flood Prevention Operations Program;
- Fund direct loans for Rural Water and Waste Water Disposal;
- Provide grants for local water conservation, water quality and supply enhancement;
- Provide funding to support projects through the Agricultural Water Enhancement Program (AWEP) and Environmental Quality Incentives Program (EQIP).

Other Recommendations:

- Streamline the federal regulatory process;
- Refine and improve our understanding of watersheds across the nation through science and data collection

The February 9, 2009 letter builds upon principles established in an important water policy report that the Alliance released after the November 2008 presidential election. That report is intended to help the Obama Administration develop solutions to Western water problems that balance environmental demands with economic realities.

The Alliance letter and water policy report can be downloaded on the front page of the Alliance website: www.familyfarmalliance.org.

“We applaud the willingness of the Administration and Congress to apply economic stimulus funding to the critical condition of aging water infrastructure in the Western United States.”

February 9, 2009 Family Farm Alliance letter to Secretary Vilsack and Secretary Salazar.

Congress Sets Up New Water Committees

The House Natural Resources Committee and the Senate Energy and Natural Resources Committee have organized their Water and Power Subcommittees for the 111th Congress. The “ex-officio” subcommittee members are the Chairmen and Senior Republicans of the full committees. The Water and Power Subcommittee have jurisdiction over the Bureau of Reclamation and western water issues generally. They also share jurisdiction over hydropower issues with other congressional panels.

The Senate subcommittee has a new Chair, Sen. Debbie Stabenow (D-MI), and a senior (“Ranking”) Republican, Sen.

Sam Brownback (KS).

Rep. Grace Napolitano (D-CA) returns as the Chairwoman of the House subcommittee and Rep. Cathy McMorris-Rodgers (R-WA) will remain the Ranking Republican on the panel.

A majority of the Members of the Senate subcommittee are non-Westerners, a significant change in the makeup of the panel as compared to the last Congress, when a solid majority of the Members were from Western states, including Chairman Tim Johnson (D-SD). The newly organized House subcommittee retains a strong majority of Westerners, with some, including Chairwoman Napolitano, representing urban areas.



Let us help you tell your story!

The Family Farm “Water Review” focuses on Family Farm Alliance members and the issues and actions they are involved with at the local level. If you would like to have a local project or issue featured in a future edition of the “Water Review”, send a request to: dankeppen@charter.net

Reclamation-related funding provisions contained in the economic stimulus package. See related story, page 4.

HR 1 – The American Recovery and Reinvestment Act of 2009 (stimulus bill)

	House	Senate	Conf. Report
Bureau of Reclamation			
Title XVI reclamation and reuse projects	\$126M	\$110M	\$126M
Central Utah Project Completion Act	\$0	\$50M	\$50M
Calif. Bay-Delta Restoration Act	\$0	\$50M	\$50M
Rural (domestic) water supply projects (primarily for intake and treatment facilities)	\$80M	\$60M	\$60M
Inspection of canals in urbanized areas	\$0	\$10M	\$10M
Other “Water and Related Resources” activities, including operation, maintenance and rehabilitation of facilities ¹ grants and Native American responsibilities	\$294M	\$1.12B	\$704M
Total	\$500M	\$1.4B	\$1B

¹The Conference Report (final bill) authorizes the Secretary of the Interior to extend for up to 50 years the repayment period for the reimbursable costs of extraordinary maintenance and replacement activities carried out with stimulus funding. Extended repayment is with interest.

Former Commissioner Bob Johnson Joins Colorado Firm

Robert W. (Bob) Johnson has joined Joe Hall and Tom Pitts as a partner in Water Consult, Engineering and Planning Consultants, Loveland, Colorado. Mr. Johnson retired from the Bureau of Reclamation in January, 2009 after a 33 year career, serving the last two years as Commissioner in Washington, D.C. Water Consult provides consulting services to the water organizations, municipalities, and industries in water resources management, strategic planning, and environmental compliance with the Endangered Species Act, Clean Water Act, and Na-

tional Environmental Policy Act.

“With Bob Johnson as a partner, Water Consult will continue its solid track record of providing effective, innovative solutions to its clients,” said Hall.

As Commissioner of Reclamation, Bob had responsibility for the west wide water and power management programs of Reclamation. Prior to his appointment as Commissioner, he served for 11 years as Regional Director of Reclamation’s Lower Colorado Region, overseeing the management and operation of the lower Colorado River.

“Bob’s experience in water management and policy coupled with his intimate knowledge of the people and politics of water will make him a valuable advisor to the western water community,” Hall said.

EMAIL:
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Thank You to Our New and Supporting Members!

DONOR SUPPORT

JANUARY / FEBRUARY 2009

CHAMPION

Northern Colorado Water Conservancy District

ADVOCATE (\$1,000-\$5,000)

Four States Irrigation Council (CO-KS-NE-WY)

Garrison Diversion Water Conservancy District (ND) Idaho Water Users Association

Klamath Drainage District (OR) Monsanto Company (CO) Stone Land Co. (CA)

Nebraska State Irrigation Association Tulare Lake Basin Water Storage District (CA)

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Mancos Water Conservancy District (CO) Tulelake Irrigation District (CA)

PARTNER (\$250-\$500)

Don Schwindt (CO)

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Crawford Farms, Inc. (CA) Hermiston Irrigation District (OR)

North Side Canal Co. (ID) Tempe Farming Company (AZ)

Your contributions matter. Whether you support the Alliance's advocacy, outreach or education efforts, you can rest assured that your investment will promote the protection of Western irrigated agriculture and the strong rural communities that it supports.

Make your tax-deductible gift to the Alliance today! Grassroots membership is vital to our organization. Thank you in advance for your loyal support. If you would like further info, please contact Dan Keppen at his NEW e-mail address: dankeppen@charter.net, or visit our website:

www.familyfarmalliance.org

