

Monthly Briefing

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

Big Climate Change Developments in D.C.

Future Progress of Senate Bill Remains Uncertain

The climate change forum is one where many interests – including those who rely on Western water supplies – are seeking to drive agendas. The Family Farm Alliance board of directors recognized this three years ago, and at that time, began laying a strategy built upon a foundation of constructive solutions intended to alleviate conflict in the Western water arena, where, without or without global warming – water demands are exceeding supplies.

As reported in the September 2009 “Monthly Briefing”, a group of farmer-lobbyists and Alliance contractors participated in over a dozen meetings with U.S. Senate offices as part of efforts to engage in climate change legislation formulation. Since that time, much has happened on the climate change front in the U.S. Senate.

Late last month, Senator Barbara Boxer (CALIFORNIA), Chair of the Senate Environment and Public Works Committee (EPW) offered up her “Chairman’s Mark” of the earlier Senate climate change bill she co-sponsored with Senator John Kerry. A hearing on the bill was heard by EPW on

October 28. The Alliance spent a great deal of time assessing the bill and the chairman’s mark, and developed a statement that was included in the record of the hearing that reflects the organization’s concerns. In the meantime, new climate change bills are popping up all over, and a growing chorus of critics from all sectors is beginning to weigh in.

“We reviewed the water-related sections of the Boxer-Kerry bill, which do not serve agriculture well in their present form,” said Alliance Executive Director Dan Keppen.

The Clean Energy Jobs and American Power Act (S. 1733)

Like the House-passed climate legislation (H.R. 5424), the Boxer-Kerry proposal (S. 1733) would commit the federal government to employ “all practical means” to protect fish and wildlife from the adverse effects of climate change, but it includes no comparable

commitment to ensuring the continued vitality of domestic agriculture and agriculturally-based rural communities. As part of the “Domestic Adaptation” program, the Boxer-Kerry amendments authorize and fund a large, multi-layered, federal-state effort “to protect, restore, and conserve natural resources so that natural resources become more resilient, adapt to, and withstand the ongoing and expected impacts of climate change.” This includes establishment of a “Natural Resources Climate Change Strategy,” mandates for federal and state “natural resources adaptation plans” and creation of a Natural Resources Climate Change Adaptation Account funded by emissions trading revenues.

The heavy emphasis on fish and wildlife concerns the Family Farm Alliance.

“Of course we support the goal of conserving natural resources and with fish and wildlife adaptation planning, research and programs,” said Keppen. “But the lack of comparable attention to adaptation needs of domestic agriculture and rural communities calls into question the intent

Save the Date!

MARCH 3-5, 2010

**Monte Carlo Resort
Las Vegas, Nevada**



22nd Annual Meeting & Conference.

STORIES INSIDE.....

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Climate Change Bill Moves in Senate *(Cont'd from P. 1)*

and effects of a large-scale effort focused exclusively on natural resources.”

Detailed comments that back these concerns were wrapped into a 10-page document the Alliance submitted to Senate committees late last month. The Alliance’s comments on S. 1733 are limited to the natural resources and water system adaptation programs in the amendments proposed by Chairwoman Boxer and Senator Kerry at the end of September.

Senate EPW Committee Hearings

The October 28 hearing featured several panels of experts from a variety of professions. Electric utility representatives battled over the costs to consumers from the global warming legislation under consideration, with utility industry representatives invited by the Democrats offering a much brighter outlook on the implications of the climate bill. At that hearing, EPW Chairwoman Boxer announced her intent to mark up the climate bill within a week. She followed through with her intent, as she and fellow Senate EPW Committee Democrats defied a three-day-long Republican boycott and passed the Boxer-Kerry bill using a procedural move that could undermine support from moder-

ate senators if the bill reaches the floor. Chairwoman Boxer and 10 Democrats signed off on the climate bill - without considering amendments - after trying without success to wait out Republicans, who wanted to first see a more detailed cost analysis of the bill performed by EPA.

Additional Adaptation Legislation

Senators Jeff Bingaman (D-NM), Sheldon Whitehouse (D-RI) and Max Baucus (D-MT) have introduced “The Natural Resources Climate Adaptation Act of 2009” to make the most effective use of science and natural resources management to combat the negative effects of climate change, and it provides for funding to help tackle these problems. This legislation differs from the Kerry-Boxer adaptation provisions in that it creates a fund for adaptation that can be spent without further appropriations, and funds Reclamation activities under the SECURE/Omnibus Public Lands Act.

“We will review this closely and be prepared for a hearing, if necessary,” said Joe Raeder, the Alliance’s representative in D.C.

Others are lining up for the climate change adaptation “pork” that is being contemplated in the Senate sausage-making factory. A coalition of nearly 600 conservation, outdoor and recreation groups had called on the Senate to dedicate roughly \$3 billion to \$5 billion annually to federal, state and tribal agencies to take actions they believe are needed to conserve natural resources. The nation’s drinking water utilities are eyeing huge funding that would be provided under legislation recently introduced in the House. H.R. 3727 from Rep. Diana DeGette (COLORADO), would authorize \$250 million over 10 years for a new federal research program to help drinking water utilities better plan for climate change. Similar language was folded into the Boxer-Kerry climate bill.

Political Outlook

It is difficult to assess what will happen with climate change legislation, particularly with the fallout that will likely occur due to the passage of the bill in Senator Boxer’s committee, in the absence of any Republican committee members. A new survey is showing public backing for a cap-and-trade bill falling (now below 50 percent). Senator Kerry stated recently that Democrats are aiming to finish legislation addressing climate change by early spring after finishing work on health care and the financial regulatory system. But, amid intense public and congressional debate on health care and the economy, it’s anybody’s guess when a climate change bill will be considered in the full Senate.

Interior Climate Strategy Challenged by Western Members

In September, Secretary of the Interior Ken Salazar launched Interior’s first-ever coordinated strategy to address current and future impacts of climate change on the nation’s land, water, ocean, fish, wildlife, and cultural resources (*See September 2009 “Monthly Briefing”*). Secretary Salazar’s order establishes a framework through which Interior agencies will coordinate climate change science and resource management strategies. In late October, Senator John Barrasso (WYOMING) and members of the House and Senate Western Caucus sent a letter to Secretary Salazar that questions the Department of Interior’s new climate change regulations. The letter predicts that these new rules will allow special interest groups with narrow agendas to block all existing and future activities on federal lands—such as grazing—in the name of climate change.



Figure 1: U.S. Sen. John Barrasso listens to Sen. Joe Lieberman’s opening statement at an EPW subcommittee markup of a climate change bill on Nov. 1, 2007.

Source: Barrasso.senate.gov.

2010 Family Farm Alliance Annual Conference

22nd Affair's Theme is "The 21st Century—Ten Years In"

The 22nd Annual Family Farm Alliance Annual Meeting and Conference – "The 21st Century – Ten Years In" - will be held March 4-5, 2010 at the Monte Carlo Resort and Casino in Las Vegas (NEVADA).



"We are ten years into the 21st century, and for many Western farmers and ranchers dependent on irrigation to water their crops, so far, things aren't looking so good," said Alliance President Patrick O'Toole, who operates a sheep and cattle ranch in Wyoming. "We took a very long break in the 20th century, and effectively stopped planning for the 21st Century. We need to learn from our past mistakes, and start taking creative measures to get up to speed, before it's too late."

In the past year, tens of thousands of farm workers lost their jobs and over a billion dollars in economic damage was realized in California's Central Valley as drought and government actions left hundreds of thousands of farmland without water. Federal forest lands that cover huge swaths of watershed areas critical to Western water users are dying and fire-prone, presenting an enormous risk to downstream water quality. As the West's

population and energy demands grow, more focus is being placed on tearing down dams then on modernizing the water infrastructure needed to keep all those dependent on water – urban, environmental, recreational and agricultural – whole.

"Farming and farmers have become undervalued by our society and economy," said O'Toole. "What do our policy makers see the role of agriculture in a world that is rapidly changing in this new century?"

The 2010 Alliance annual conference will feature diverse, high profile speakers and panel discussion that will focus on the role of Western water in American agriculture as we edge into the new century. Cutting-edge issues of critical interest to Alliance members, policy makers and the public will be addressed, including:

- The important nexus between energy development and Western water resources;
- The innovative solutions and ingenuity applied by farmers to address resources challenges;
- The challenges facing Western states as budget problems begin to impact programs affecting water and agriculture;
- The growing reliance policy makers place on environmental organizations to guide water resources decision-making;
- Constructive and destructive relationships between conservation groups and agricultural interests;

and

- New policy developments in the climate change and flood management arenas.

Speakers will also address the growing media coverage devoted to critical treatment of "conventional" agriculture, which appears to advocate a "return" to smaller farms.

"These ideas, whether we agree with them or not, are shaping public opinion and therefore have the potential to shape public policy," said O'Toole. "It would be valuable for our farmers to know how non-farmers in L.A., New York, and D.C. are thinking about the future of agriculture."

Traditional, time-honored forums will continue at the 22nd annual conference, including the Reclamation Roundtable, featuring the acting commissioner of Reclamation and all five regional directors; and "Inside Washington" – the traditional conference session featuring key staffers from Congressional water committees.

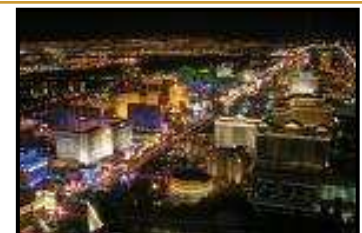
"We have an outstanding program coming together," said Alliance Executive Director Dan Keppen. "This event and venue have always been a great bargain for our members, and this year they can expect the same. Our hotel room rates will actually be less than last year."

Conference information and registration forms will soon be distributed by e-mail to Alliance members and will be available to be downloaded at www.familyfarmalliance.org. For more information, please contact us at 707-998-9487 or ffameeting@aol.com.



Fig. 2: Monte Carlo's ideal location offers immediate access to all of the action, excitement and entertainment of the world-famous Las Vegas Strip. The AAA Four Diamond hospitality and 24-hour service has created the perfect atmosphere to combine business and pleasure.

Sources: www.montecarlo.com (L); VisitingDC.com (R)



Water Transfers Receive Growing Attention

Moving water that originates in one area for use on other areas is getting the attention of policy makers at a variety of national and regional levels. A congressional hearing was held earlier this month to receive testimony on how water can be more efficiently transferred in California's Central Valley. The U.S. Environmental Protection Agency (EPA) is considering rules that would subject water transfers throughout the nation to pollution permitting requirements. And the Family Farm Alliance is part of a small group of diverse interests preparing to tackle an issue that is of paramount interest to Western irrigators: transfers that move water away from agriculture and towards other competing needs.

Oversight Hearing on California Water Transfer Legislation

The U.S. Senate Water and Power Committee earlier this month conducted an oversight hearing to discuss legislation introduced by Senators Barbara Boxer and Dianne Feinstein (CALIFORNIA) intended to facilitate water transfers in California's Central Valley. The Central Valley Project Improvement Act (CVPIA) contained provisions intended to facilitate water transfers to help Californians meet their water needs. Unfortunately, the envisioned transfers of water out of the Central Valley Project (CVP) service area to urban water agencies have not occurred for several reasons, including environmental restrictions on state and federal pumps located in the Sacramento/San Joaquin River San Francisco Bay Delta estuary.

Martin McIntyre – general manager for Family Farm Alliance member San

Luis Water District – testified at the hearing that the bill is a welcome aid to facilitate transfers, but the real solution is a broader approach to the Bay-Delta crisis that does not focus disproportionately on the pumps. He said that existing biological opinions crafted by federal fisheries agencies need to be re-evaluated to avoid “the impending human tragedy”, but that the Feinstein / Boxer bill – The Water Transfer Facilitation Act of 2009 – is one part of a short-term fix to the water crisis.

“The San Luis Water District will live or die by the success or failure of water transfers,” McIntyre testified. “In 2009, with only 10 percent CVP allocation, failure to transfer adequate supplies of supplemental water would have resulted in the loss of tens of thousands of acres of high value permanent crops.”



Fig. 3: Residents in the rural community of San Joaquin standing in relief line to receive food imported from China.

Source: San Luis Water District

McIntyre addressed the “withering gauntlet” of agreements, administrative approvals, and regulatory processes required for a one time single

year transfer. In the Central Valley, irrigation districts and water agencies have for decades exchanged and transferred water to each other as a means of getting surplus water to water short areas. These water transfers are regulated by California water law and by federal and state environmental laws, including the Endangered Species Act (ESA) and the National Environmental Quality Act (NEPA). Transfers of water in federal Central Valley Project are subject to an additional level of regulation under CVPIA.

“The CVPIA has not achieved its goal of facilitating water transfers to help Californians meet their water needs,” McIntyre testified.

McIntyre noted that the envisioned transfers of water out of the CVP service area to urban water agencies have not occurred for several reasons, including environmental restrictions on the Bay-Delta pumps. Transfers among agencies within the CVP service area have been slowed and even discouraged by the Bureau of Reclamation's application of CVPIA, he said. The new legislation is intended to facilitate water transfers among agencies within the CVP south of Delta service area by removing some of the bureaucratic impediments that discourage transfers or make them unnecessarily slow.

Senator John McCain (ARIZONA) participated in the hearing and asked McIntyre a series of questions that highlighted the role of the ESA in the California water crisis. Senator McCain concluded by saying he and other Members of Congress had supported a one-year waiver of the ESA, but it was voted

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Water Transfers in the Limelight *(Con't from Page 4)*

down. He said that he and others will work for provide the Valley relief “instead of lip-service.”



Fig. 4: Senator John McCain (R-ARIZONA)
 Photo Courtesy: <http://mccain.senate.gov/>

EPA Reconsiders the “Water Transfers Rule”

The Obama administration may discard a 2008 U.S. EPA rule that allows water transfers from one water body to another without Clean Water Act (CWA) permits, according to documents filed in a federal appeals court in October. EPA is planning on reconsidering the Water Transfers Rule, which was advanced by the Bush Administration as a new exclusion from the Non-Point Discharge Elimination System (NPDES) permitting requirements the CWA, which regulates the “addition of any pollutant to navigable waters from any point source.” The Water Transfers Rule reached by the Bush Administration states that simply transferring water from one distinct navigable body of water to another does not require a NPDES permit, even though the water being transferred may add new pollutants to the receiving body of water. The Justice Department in a recent document says EPA may abandon the rule, a move that would subject

water transfers throughout the nation to pollution permitting requirements.

Ag/Urban/Enviro Water Sharing Work Group

The Family Farm Alliance will engage with its new urban and environmental partners in a new initiative that will seek to develop innovative strategies for sharing water in the Colorado River Basin. The grant proposal is being put into final form by Colorado State University Foundation. Colorado Water Institute (CWI) at CSU will manage the initiative on behalf of the Ag/Urban/Enviro Water Sharing Work Group, which consists of the following members:

- Colorado Water Institute—Reagan Waskom
- Colorado Water Conservation Board—Todd Doherty
- Environmental Defense Fund—Jennifer Pitt
- Family Farm Alliance—Pat O’Toole, Dan Keppen
- The Nature Conservancy—Taylor Hawes
- Western Governors’ Association—Tom Iseman
- Western States Water Council—Tony Willardson
- Western Urban Water Coalition—Mark Pifher

The group will be facilitated by MaryLou Smith, of Aqua Engineering, Inc (COLORADO). The initiative will seek to build upon work group diversity, networks, and expertise to initially determine the magnitude of water transfers from agriculture in the Colorado River Basin. The group will also research past Colorado River Basin transfers that provide insights because of both the innovative sharing and the players who were behind the innovation.

“We will find those who are currently experimenting with innovative agricultural / urban / environmental water sharing schemes,” said Smith. “The effort will convene into a highly focused forum selected players from both of these groups—past and present—to help us uncover what we can learn and build on now to promote innovative agricultural / urban / environmental sharing of water.”

In particular, the group will identify roadblocks to such innovative sharing and drill down to what has to be resolved for the sharing strategies/programs to move forward. A “show and tell” toolbox will be developed that summarizes discovered innovative water sharing opportunities and obstacles, which will be reported in both written and documentary form. Those discoveries will be conveyed to the Western Governors, to the Bureau of Reclamation, and to other key Colorado River Basin water interests to inform and spur significant innovative action in this arena.

The working group hopes to distribute final products by August 2010.

Draft Klamath River Dam Removal Proposal Announced

The utility PacifiCorp, along with local, state, tribal and federal governments, last month released a draft agreement on a proposal to remove four dams on the Klamath River in Oregon and California. The draft "Klamath Hydroelectric Settlement Agreement" would establish a process through which the Interior Department will investigate the costs and benefits of removing four dams on the Klamath River.

Now, Klamath basin farming and ranching organizations, tribes, local government, conservation groups, and fishing groups are assessing the agreement to determine whether or not to support it. The KHSA would be complemented by the implementation of a companion agreement, the "Klamath Basin Restoration Agreement." While the KHSA focuses on the fate of PacifiCorp's lower four Klamath River Dams, the KBRA

aims at increasing water flows for fish and improving irrigation water delivery reliability. The agreement intends to undertake watershed-wide habitat restoration, and make economic investments to bolster the economic viability of basin fishing and farming communities.

The reaction from the agricultural community has been mixed, and support for it generally depends on where farmers live within the watershed, and where their water comes from. Many water users dependent on the federal Klamath Irrigation Project like the improved certainty the agreement provides for their supplies. Other non-federal water users with water rights or applications for water rights - especially those with junior priority dates - are fearful of the potential for future curtailment of water supplies that have

not been the focus of Endangered Species Act regulations in the past. Several local government entities and many in the agricultural community - both within and outside of the Klamath Irrigation Project- find the prospect of dam removal a difficult pill to swallow.

Federal lawmakers from Oregon and California also have different views on the dam removal agreement. A few have called it a good step forward while others disagree. U.S. Rep. Tom McClintock (CALIFORNIA) called it "insanity".

At the state level, Oregon has approved \$180 million in surcharges on state ratepayers. Another \$250 million depends on California approving general obligation bonds, provisions for which were included in water legislation recently passed by the Legislature.



Figure 5: Iron Gate Dam on the Klamath River, one of four dams that will be investigated for possible removal under a new settlement agreement between the United States, California, Oregon, PacifiCorp, counties, farmers, conservation groups, tribes and fishermen. Source: Klamath Bucket Brigade

Late-Breaking News and Other Western Water News Briefs

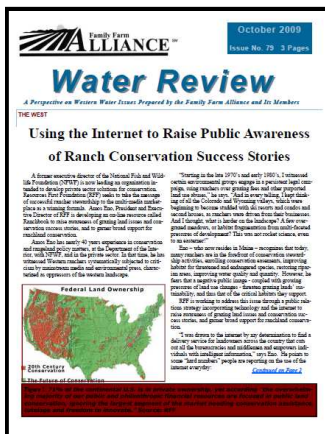
Governor Arnold Schwarzenegger –in a gesture of support for the San Joaquin Valley – earlier this month signed newly-passed **water plan bond legislation** in Fresno County (CALIFORNIA). The State Legislature had voted earlier to revamp the state's governance of water supply, sending a massive package to Gov. Schwarzenegger that authorizes an \$11.14 billion bond measure to pay for dams, groundwater banking, water recycling, Delta restoration and dozens of regional projects. The controversial water package calls for an election on the water bond requiring majority approval by the state's voters. Regarding the controversial "Delta conveyance" proposal, the plan would prevent construction until certain regulatory "assurances" are met, including a diversion permit that must specify 'flow criteria' that set new stream-flow requirements to improve Delta habitat. The bill also requires

20 percent water conservation statewide by 2020. If local water agencies do not achieve this, they will not be eligible for state water grants. The bill also requires statewide monitoring of groundwater supplies, starting in 2012.

A U.S. District judge late this month praised the Obama administration's plan to recover salmon in the **Columbia River Basin** but said it needs more work to help it withstand further legal challenges.

Judge James Redden said he hoped to eventually sign off on the federal plan, which will guide how the federal government spends billions of dollars on restoring salmon runs in the years ahead.

Irrigators, Northwest states and American Indian tribes support the plan. The state of Oregon, Nez Perce Tribe and fishing and conservation group remain opposed.



Tell Your Story!

The "Water Review" focuses on Alliance members and the issues and actions they are involved with. If you would like to have a local project or issue featured, send a request to: dankeppen@charter.net

DONOR SUPPORT

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.



Contributions can also be mailed directly to:
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