



SAN JOAQUIN COUNTY

FLOOD CONTROL & WATER CONSERVATION DISTRICT

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ADVISORY WATER COMMISSION

January 18, 2017, 1:00 p.m.

Public Health Conference Room, 1601 E. Hazelton Avenue, Stockton, California

AGENDA

Roll Call

Approve Minutes for the Meeting of December 21, 2016

SCHEDULED ITEMS

I. Discussion Items:

- A. Update on the 2017 Central Valley Flood Protection Plan – Christopher Williams, California Department of Water Resources
- B. Presentation and Discussion on the Local Drought Emergency – Michael Cockrell
- C. Update and Discussion on the Proposed Changes to the Water Quality Control Plan for the Bay Delta Estuary: San Joaquin River Flows and Southern Delta Salinity Objectives (See Attached) – Brandon Nakagawa

II. Communications (See Attached):

- A. WaterFix:
 - January 4, 2017, sacbee.com, “Obama Says Full Speed Ahead on Delta Tunnels Project”
 - January 4, 2017, recordnet.com, “Feds Set Timeline for Action on Delta Tunnels”
 - January 9, 2017, recordnet.com, “Supervisors Will Discuss Intentional Non-ag Delta Flooding”
- B. Regulatory Reform:
 - January 4, 2017, agalert.com, “New Congress Likely to Address Regulatory Reform”
- C. Drought:
 - January 4, 2017, hanfordsentinel.com, “Valadao Introduces Major Water Bill”
 - January 7, 2017, recordnet.com, “Delta Pumping Continues Amid Fish Worries”
- D. Flooding:
 - January 5, 2017, recordnet.com, “Flooding: It’s Happened Before”
 - January 11, 2017, recordnet.com, “Storm Surge: Levees Under Patrol as Water Problems in Delta Grow”
- E. Groundwater:
 - December 29, 2016, sfgate.com, “Oil Companies Face Deadline to Stop Polluting California Groundwater”

Public Comment:

Next Regular Meeting:

February 15, 2017, 1:00 p.m.
Public Health Conference Room

Commission may make recommendations to the Board of Supervisors on any listed item.

If you need disability-related modification or accommodation in order to participate in this meeting, please contact the Water Resource Staff at (209) 468-3089 at least 48 hours prior to the start of the meeting. Any materials related to items on this agenda distributed to the Commissioners less than 72 hours before the public meeting are available for public inspection at Public Works Dept. Offices located at the following address: 1810 East Hazelton Ave., Stockton, CA 95205. These materials are also available at <http://www.sjwater.org>. Upon request these materials may be made available in an alternative format to persons with disabilities.

**REPORT FOR THE MEETING OF
THE ADVISORY WATER COMMISSION OF THE SAN JOAQUIN COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT
December 21, 2016**

The regular meeting of the Advisory Water Commission of the San Joaquin County Flood Control and Water Conservation District was held on Wednesday, December 21, 2016, beginning at 1:00 p.m., at Public Health Services, 1601 E. Hazelton Avenue, Stockton, California.

Roll Call

Present were Commissioner Roberts, Alternate Valente, Commissioner Winn, Alternates Kuil, Heberle, Commissioners Hartmann, Myers, Secretary Nakagawa, Vice Chair Price, and Chairman McGurk.

Others present are listed on the Attendance Sheet. The Commission had a quorum.

Approval of Minutes for the Meeting of October 19, 2016.

Motion and second to approve the minutes of October 19, 2016 (Hartmann/Roberts). Unanimously approved.

SCHEDULED ITEMS

Tom McGurk, Chairman of the Advisory Water Commission (AWC), led the agenda.

I. Discussion Items:

A. Update and Discussion on the Proposed Changes to the Water Quality Control Plan for the Bay Delta Estuary: San Joaquin River Flows and Southern Delta Salinity Objectives – Brandon Nakagawa

Secretary Nakagawa gave an update on the Substitute Environmental Document (SED) of the Water Quality Control Plan (WQCP) for the San Francisco Bay/Sacramento – San Joaquin Delta Estuary, which is the proposal to allocate up to 30-50% of the unimpaired natural runoff from the Stanislaus, Merced and Tuolumne Rivers to be sent down the Lower San Joaquin River into the Delta. The benefit cited by the State Water Board is that salmonids would then have flow conditions mimicking a more natural runoff pattern in the Lower San Joaquin River, which is theorized to increase spawning salmon returns. The proposal will take water from our local water supplies, senior water rights holders, and our reservoirs. In addition, the State Water Resources Control Board (SWRCB) proposes to relax water quality standards in the south Delta which would allow more salt applied to crops and farmlands. High salt concentrations are known to have an immediate impact on yields and undermine the long-term viability of certain Delta crops. If salt is not leached out, it will be retained by the soil, producing damaging results.

A recap of the proposal explains it has been a process of several years to update the WQCP, leading to the release of the SED in early summer 2016. Immediate action was taken to mobilize stakeholders and address the shortcomings of the SED proposal including its economic impacts. Dr. Rodney Smith, Ph.D., President of Stratecon, Inc., was commissioned by Stanislaus County and he presented a scope of work at the AWC Meeting on

August 17, 2016. San Joaquin and Merced Counties agreed to participate with Stanislaus County in an economic study conducted by Stratecon, with a cost-share to the County of \$20,000. Dr. Smith is acquainted with local stakeholders and his previous experience includes working with Central San Joaquin Water Conservation District on a breach of contract case versus the Federal government.

Mr. Nakagawa stated that Dr. Smith has released an administrative draft of the economic study report which presents substantial data showing that the SWRCB severely underestimates the potential regional economic impacts of the proposed SED flow objectives. Highlighted is the potential to reduce crop revenues, from land fallowing alone in the Study Area, an average of \$58 million per year (45% higher than the impact estimated by the SWRCB), and the unsustainable increase in groundwater pumping that would be needed to offset reduction in surface water supplies. With that said, the opportunity to increase groundwater is precluded in the implementation of SGMA. Mr. Nakagawa stated that local goals include: groundwater sustainability, putting more surface water to use, keeping senior water rights in our County, and continuing to manage surface water and groundwater sources.

The SED will significantly diminish the local surface water supply. The State's incorrect assumption is the locals will pump the groundwater until depleted, then replace the groundwater supply thus incurring minimal groundwater impacts. He added that, for several decades, over \$700 million has been spent on conjunctive use projects, recharge projects, and in-lieu projects to successfully serve surface water to our County growers and/or urban areas, and groundwater during drought times. Stratecon's analysis predicts the economic impact will be more than the State's estimated \$68 million, and closer to \$1.5 to \$2 billion. The Stratecon's study will be made available to the Commission once release is authorized.

SWRCB support staff gave a presentation on the SED and held a discussion with the Commission at the AWC meeting on October 19, 2016. At the same meeting, Commissioner John Herrick, South Delta Water Agency (SDWA), provided additional insight with a presentation on the history of the SED. At the San Joaquin County Board of Supervisor's (BOS) Meeting held on November 15, 2016, the SWRCB gave the same presentation and answered questions from the Board and comments from the public. The result was at its November 15, 2016 meeting, the BOS's recommendation was to oppose the SED and submit written comments by the January 2017 deadline. The BOS relied upon four prior Board Resolutions as the basis to oppose the SED (R-04,563, R-10-409, R-12-278, and R-15-37 – copies of which were included in the today's agenda packet).

The water rights system should not be abandoned to achieve these goals. Mr. Nakagawa reiterated the State's proposal is to benefit an estimated 1,107 fish at an economic negative impact of almost \$2 billion, while taking water from senior water rights holders.

Commissioner Hartmann asked if Dr. Smith took into account the long-term economic agricultural effects of salt build-up in the south Delta? Mr. Nakagawa answered Stratecon did not look at that. The County has hired attorneys to help develop comments to direct the economist in re-examining those aspects.

Mr. Nakagawa gave an overview of the SWRCB's public meeting held at the Stockton Civic Auditorium on December 16, 2016 regarding the SED. The SWRCB's full 5-member panel heard public comment, additional testimony, and presentation(s) from an estimated 300 people who in great part opposed the SED. Attendance included farming communities, water districts, local elected officials, cities, environmental groups, and the public. Summarily, it was clear

through the public comments and presentations that our communities are not in favor of the SED.

Commissioner Hartmann inquired if Mr. Nakagawa has heard new information that would have a material impact on the deliberations in action? Mr. Nakagawa responded that Tori Salazar, San Joaquin County District Attorney, made comments about the correlation between the economic downturn and the increase in crime rate, which was a new angle for the SWRCB to hear. If the SED goes through, the economic impacts will be far reaching and almost immediate, resulting in economic downturn and crime increase. Commissioner Hartmann interjected that D.A. Salazar's comments were points well-made and added that in the State of California, Stockton is #2 in murder rate per capita, and #7 in overall crime.

Commissioner Roberts asked what is the anticipated completion date for Dr. Smith's report? Mr. Nakagawa answered, hopefully, within 1 to 2 weeks but definitely before the SWRCB public comment deadline of January 17th.

A member of the public commented that he had attended the SWRCB public meeting on the SED held in Sacramento. He noted that one of the Board members expressed concern of the SED report having an "expectation" of taking water from the reservoirs. However, there is no requirement of this action within the report. This Board member suggested submitting the report without relying on the reservoirs as there is no "requirement." He inquired on the validity of this in affecting the SED. Ms. Julianne Phillips, San Joaquin Farm Bureau stated the South San Joaquin Irrigation District (SSJID) and Oakdale Irrigation District (OID) presentations covered this topic at the SWRCB public meeting held in Stockton on Friday, December 16th. Their presentations discussed the "naked 40" referencing the straight 40% unimpaired flow and what the impacts would be.

Chairman McGurk asked for opinion on whether Stanislaus County is getting more media attention for their attendance at the SWRCB meeting held in Merced? He inquired if there was a difference in meeting content and the reasons for the tractors parked in front of the meeting location.

Ms. Phillips attended the meeting and answered that the platform was very different than the one in Stockton. At the SWRCB meeting held in Stockton, there were focused presentations; whereas, in Merced, there were no presentations and a few public commenters on fishery issues. In her opinion, however, the Merced group was more unified in the message the SWRCB received opposing the SED. She added that opposition of the SWRCB's SED will be won by the "will of the people." Chairman McGurk concurred.

A member of the public commented on the SWRCB public meeting in Stockton and added the Board pressed on the economic benefits of the food and agricultural industries. In addition, Chairwoman Marcus stated the estimated number of 550 fish to benefit from the SED is a misconception to be cleared up, but no clarification was brought forward.

Mr. Nakagawa commented on the higher attendance at the SWRCB – Merced meeting adding this is not a defining factor. The realization is that attorneys will be needed to make legal comments with sound technical background. In addition, experts will be utilized for opinion on matters of economy, economic impacts, salt impacts on crops, groundwater impacts, and how SGMA will change the equations or how the State Board's analysis is completely flawed. These will be the topics in which cities, water districts and agencies will invest. Mr. Nakagawa recalled a comment by Commissioner Nomellini at the BOS meeting held on November 15th on the

importance of keeping the community together on this issue. This issue can be so divisive as it deals with fish, water quality, reservoirs, and water supply for agricultural and urban use and the County can play a role in bringing comments from all competing interests together (i.e. agriculture, urban, fire, Delta, Eastside) to form a united argument against the SED. Also necessary are comments from our San Joaquin County Board Members to help keep our community together. Supervisors Chuck Winn and Katherine Miller wrote an open letter to The Record (posted 12/14/16) addressed to San Joaquin County residents informing them of the SWRCB's increased river flow proposal, the potential economic impacts, and the importance of attending the public hearing on December 16th.

Commissioner Hartmann expressed his opinion that the Governor's administration will try to push this proposal through. He states that because the SED is an environmental document, opposition will be done in the judicial system requiring scientific facts, addressing impacts, and litigation by lawyers and experts. He concurred with Mr. Nakagawa's strategy. Commissioner Hartmann added that filing the written opposition must be done within 30-days of the final adoption of the SED.

Alternate Kuil attended the SED public hearing held in Stockton and commented the discussions and content were good. However, the 200-300 attendees had dwindled in the afternoon. Mr. Nakagawa added there were only 20-30 in attendance when the last speaker, Commissioner John Herrick, gave his presentation.

Commissioner Winn stated there is an effort to unite San Joaquin, Stanislaus, and Merced Counties on this issue. He commented on a recent meeting he attended at which Congressman Tom McClintock, federal, state, and county representatives were present. An outcome of this meeting was the realization of all three levels of officials talking about the commonality of water. There is growing concern amongst the mountain counties, valley counties and Delta counties about the watershed and the region is starting to come together as an integral voice. He sees momentum gaining with core values and common ground to unite us and to help one another.

Alternate Valente commented about the SWRCB public hearing and added it may be a deliberate ploy to run the meeting long so the public will, in fact, not return for the afternoon session. He also referenced SGMA and questioned what could be the end goal of the State – through legislation, try to manage local groundwater and take away the surface water? In addition, if water districts and agencies update their nitrate plans, will agriculture be blamed in a few years when salt levels build up due to the proposed revised salinity standards?

Commissioner Hartmann expressed opinion that SGMA and the SED are at an impasse with polar opposite goals – with the SWRCB proposing to take water, and DWR demanding we maintain our basin. He questioned where will the water come from to create an infrastructure to move water, or recharge? Alternate Heberle asked if this issue was brought before the SWRCB? Mr. Nakagawa responded that Supervisor Miller's comments included putting SGMA's compliance of sustainable groundwater hopelessly out of reach with the SED. Ms. Katie Lucchesi, Neumiller and Beardslee, stated that at the SWRCB's recent technical workshop, the question of SGMA compliance and taking away surface water was raised and the the State answered, "these are two entirely separate things"...."two different documents...." Ms. Lucchesi added that the County has hired a consultant to conduct an analysis of this issue with a point topic that the State's analysis would not meet the requirements of SGMA.

B. Update on SGMA Activities – Brandon Nakagawa

Mr. Nakagawa gave an update on recent SGMA activities and timeline. The SGMA Work Group held a meeting on Wednesday, December 14, 2016. The presentation from this SGMA meeting was included in the AWC agenda packet.

One or more local agencies that have water supply, water management, or land use responsibilities within a groundwater basin are eligible to become a Groundwater Sustainability Agency (GSA), having jurisdiction within their mapped area. A year ago, the County filed on top of the entire geographical county area as a GSA to “buy time” for accurate GSA mapping, and allow agencies interested in filing as a GSA the time to do so. Mr. Nakagawa summarized the progress made to date on SGMA efforts.

He highlighted the following points related to the status of GSAs:

- Formation – For every district, city, or special district wanting to be a GSA, Mr. Nakagawa reiterated the importance of GSA formation and mapping – down to the parcel level.
- Governance – Issues to resolve are coordination, organization, and/or should we exercise common powers. Presently, the agreement point is to form a separate entity, a Joint Powers Authority (JPA) of the GSAs to come together for the purpose of one Groundwater Sustainability Plan (GSP) for the entire Eastern San Joaquin Basin.
- Technical – The requirement is for the GSP to be completed and adopted by January 2020. This will be a complex plan. DWR is writing draft regulations, the SWRCB has enforcement authority and is releasing documents as well, and there will be costs incurred if the State intervenes.

Partial funding for implementation is coming from a nearly \$250,000 GSP Readiness Grant from the State. The County is matching this amount making a total of approximately \$500,000. Some of these funds are currently being spent to develop and update our groundwater model for the east side of the County thus putting us in good position to leverage for additional State funding, and reach our goal of GSP adoption by the January 2020 deadline.

Mr. Nakagawa referenced the SGMA Timeline (included in the agenda packet) and reiterated past, current and future activity and/or milestones. A lot has been accomplished thus far. Major discussions have involved development of the parcel level map to submit to DWR in compliance with the June 30, 2017 deadline. This will be a universal parcel map for use by all GSAs, reflecting set GSA boundaries and with no overlaps.

Discussions have been held with the districts, and cities regarding GSA filing. Almost every city, irrigation district, agency, or Delta community has determined to file as a GSA or as a member of a GSA. County staff has been utilized by all in the development of the GSA map to be shared amongst the higher basin, with everyone on the “same page.” Mr. Nakagawa presented a matrix of the GSA mapping status, internal deadlines set to complete the mapping, and working drafts of the maps. The mapping is in the final stages near completion.

The County is a good candidate to fill in the gaps between districts for the “white areas.” Questions that arose include:

- How to coordinate those areas with the adjacent water district?
- How will the County manage those areas? Discussions include signing an MOU containing intent language regarding organization, annexations, or groundwater management issues.
- Woodbridge Irrigation District – how to treat the County pocket “Swiss cheese” areas?

An important topic item at the SGMA Work Group (SGMA WG) meeting on December 14, 2016 involved the County’s revisions to the draft JPA, which staff presented to the SGMA WG at that meeting. Major discussions included if the JPA should be a separate entity, to which the County believes it should. The County’s reasoning is that if it is structured too “loosely,” there is usually one member that steps up to handle the administrative issues. Furthermore, additional future issues may arise regarding liability, revenue, or membership dues. A JPA resolves these issues and creates an even playing field for all GSAs. The draft JPA was distributed to the SGMA WG.

Another topic of discussion was voting. At present, the complicated but important decision is to go with a “1-GSA / 1-Vote” concept. Everyone at the table who has a stake and has responsibility as a GSA to develop a GSP will have a vote.

Another topic of discussion was the decision making process. One scenario considered is the JPA would have a Board of Directors made of representatives from the member agencies. Typically, these individuals will be locals or public officials that are elected, appointed or staffed to positions on the board. Preference is for the board members to be elected officials. These elected officials will sit on the Board of Directors with a transparent, voting process to bring forth finality and the decision-making capabilities that are needed by the JPA.

Mr. Nakagawa added that it is important for all members of the JPA to feel they have a voice. Thus, prior to going with the voting mechanism, it has been written in the JPA that there will be a strive to reach consensus. If group consensus is not met, the typical, “majority” vote process is in place. However, certain decisions will require a “super-majority” vote for important issues, i.e. annual budget or membership dues. In addition, having the “super-majority” clause will prevent one group from running away with a vote, and diffuse the senior water rights holder versus junior water rights holder scenario.

In conclusion, the goal of the SGMA WG is to incorporate comments into a Final Draft JPA by January 2017, reach consensus, sign the final JPA, and have it fully executed by Spring 2017.

Mr. Nakagawa concluded his presentation and discussion was opened.

Commissioner Hartmann stated that he had been obtained by the County to serve as Ombudsman to the SGMA WG to answer questions and mediate in the GSA process. He commended Commissioner Chuck Winn – San Joaquin County Board Supervisor; Mr. Kris Balaji, Public Works Director; Mr. Fritz Buchman, Public Works – Deputy Director; Mr. Nakagawa, Public Works – Water Resources Coordinator; Lynn Hoffman – Management Analyst III; and Public Works Water Resources staff on their leadership and coordination efforts in this SGMA process. He acknowledged the agencies, cities, and/or districts on their hard work and reasonable approach coming together as a team to reach resolution of the obligations imposed upon us by SGMA. Commissioner Hartmann also recognized Mr. Gerardo Dominguez, Engineer IV, as the “map man” and praised his detailed work of GSA mapping. In addition, DWR was recognized for their partnership via attending our meetings, and assistance in San Joaquin County’s compliance with SGMA requirements. He concluded we should all be happy at the progress made to date.

Commissioner Winn concurred that County staff has been outstanding in their work on SGMA and commended all the agencies and their representatives on their efforts. He stated the County is ahead of other California counties in regards to SGMA relationships, progress, and in defining the roles of agencies. He is proud of San Joaquin County and all the participants as we are being used as a “model” for other counties. Commissioner Hartmann added that our draft JPA document is being handed out by DWR as a sample to agencies.

Mr. Nakagawa revisited a controversial topic regarding how Cal Water will participate in SGMA. Cal Water is not a public agency, therefore, cannot be signatory to a JPA. However, it is recognized that Cal Water needs representation as they are one of the largest water purveyors in the County. How can we get Cal Water to the table for SGMA purposes? The JPA could “open the door” with Cal Water as a “participating GSA” with a local public agency. In this case, those agencies could be the City of Stockton and the County in a separate GSA with Cal Water.

Commissioner Hartmann reiterated his praise of everyone working together for this common cause of the SGMA. Mr. Buchman expressed appreciation of the recognition and added that a lot has been accomplished so far and the County looks forward to “crossing the finish line.”

II. Communications:

- A. December 2016, Stanford Water in the West, “To Consolidate or Coordinate? Forming California Groundwater Sustainability Agencies”**
- B. December 14, 2016, Recordnet.com, “Guest View: Tell Water Resources Board No on Increased River Flow Proposal”**
- C. December 15, 2016, Latimes.com, “Capital Journal – Everyone is at Odds Over Gov. Brown’s Delta Tunnels Plan – Here’s a Compromise that Could Stop the Fighting”**

Public Comment:

Next Regular Meeting: January 18, 2017, at 1:00 p.m.
Public Health Conference Room

Adjournment: 2:00 p.m.



SAN JOAQUIN COUNTY
FLOOD CONTROL & WATER
CONSERVATION DISTRICT

ADVISORY WATER COMMISSION
MEETING OF DECEMBER 21, 2016

ATTENDANCE SHEET

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Brandon Nakagawa	SJC PW		

ATTACHMENT
I.C.



**The Economic Consequences of the Proposed Flow Objective for the Lower San Joaquin
River in Merced, San Joaquin and Stanislaus Counties**

By

Rodney T. Smith, Ph.D.
President
Stratecon Inc.

and

Jason M. Bass, CPA, CFA
Founder and Principal, EcoGlobal Natural Resources

Prepared for the Counties of Merced, San Joaquin and Stanislaus

January 6, 2017

EXECUTIVE SUMMARY

The Substitute Environmental Document (“SED”), recently issued by the California State Water Resources Control Board (“SWRCB”), proposes substantial increases in the unimpaired flows of the Merced, Stanislaus and Tuolumne Rivers that will fundamentally alter the water supply portfolios of Merced, San Joaquin and Stanislaus counties (collectively the “Study Area”). The SWRCB’s assessment, however, of the potential economic impacts of the SED is narrow in scope and completely fails to account for the water supply reliability, sustainability and volatility challenges that will confront the counties.

Stratecon estimates that the proposed flow objectives would reduce the counties’ reliable surface water supplies on average by 60% or about 600,000 acre-feet per year, from 1.0 million acre-feet to just short of 400,000 acre-feet. Stratecon estimates that this loss of reliable water supply is partially offset by an increase in the expected annual yield of unreliable surface water supplies from 290,000 acre-feet per year to 656,000 acre-feet per year. The partial offset is no bargain. The SED would reduce the economic value of surface water rights by 50% and drastically reduce the reliability of the region’s water supplies, which will have far reaching adverse impacts on the region’s long-term economic stability and growth.

The SWRCB severely understates the potential regional economic impacts of the proposed SED flow objectives. It presumes that the surface water supply reductions would be largely offset by unsustainable increases in regional groundwater pumping. Before implementation of the Sustainable Groundwater Management Act (“SGMA”), when groundwater pumping may increase to partly offset reductions in surface water supplies, Stratecon estimates that land fallowing in response to the SED proposal for a 40% increase in the unimpaired flows of the Merced, Stanislaus and Tuolumne Rivers (“SED 40”) would reduce crop revenues in the Study Area an average of \$58 million per year (2015\$), which is about 45% higher than estimated by the SWRCB after accounting for inflation. Furthermore, SWRCB’s focus on average annual impacts masks the expected volatility in Study Area annual crop revenues under the SED. Annual revenues losses frequently exceed \$100 million and, at their peak, reach as high as \$260 million (2015\$).

SGMA implementation will effectively preclude additional groundwater pumping to offset SED surface water supply reductions. Stratecon estimates that resulting land fallowing would reduce regional crop revenues by an average of \$100 million per year (2015\$), or more than 2.5 times the amount estimated by SWRCB after accounting for inflation. In addition, Stratecon estimates that single year crop revenue losses in the Study Area may frequently exceed \$200 million and, at their peak, could reach as high as almost \$450 million.

The economic impacts within the Study Area of the proposed SED flow objectives is substantial and derives from a combination of: A) reduced crop production; B) reduced output by enterprises relying on that crop production as key inputs, most notably dairies and livestock producers, as well as enterprises further downstream such cheese production using milk produced locally and beef slaughter and packing using locally produced cattle, as key examples; C) increased costs of pumping incurred by irrigators and communities due to potentially substantial increases in regional ground water depths as a result of increased pumping to offset surface water supply

reductions (only before SGMA); D) reduced lake recreation visitor spending; and E) reduced hydropower generation values.

Tables EX-1 and EX-2 summarize the estimated economic output and employment impacts within the Study Area.¹ Table EX-1 summarizes the average annual estimated impacts were implementation of the SED 40 proposal overlaid on the historical hydrology of the San Joaquin River system from 1922 through 2003 (“Study Period”). Table EX-2 summarizes the estimated peak annual economic output and employment impacts after SED 40 implementation. The tables present what are termed “upper bound” estimates of both the economic output and employment effects of:

- A) Reductions in the regional production of intermediate and end-market dairy and livestock commodities such as raw milk, fluid milk, cheese, cattle and processed meat, among others, due to anticipated SED-related reductions in regional feed grain (particularly corn silage), hay and pasture crops, primary inputs to the region’s dairy and livestock sectors; and
- B) Estimated increases in the costs incurred by the Study Area’s farmers and communities to pump groundwater due to potential SED 40-related increases in Study Area groundwater depths, accounting for both current pumping and additional potential pumping in response to SED-related reductions in regional surface water supplies.

There is no debate with the SWRCB that the SED’s implementation will have economic impacts within the Study Area. However, there is also no crystal ball as to the eventual full nature and extent of those impacts. SWRCB chose to focus its quantification of economic impacts primarily on agricultural production adopting sophisticated models for that purpose while providing cursory or no consideration of numerous other potential impacts including, among others, the impacts of reduced regional agricultural production on regional dairy-related activities. Dairy product production and manufacturing are very large and important components of the Study Area’s economy. SWRCB’s underlying argument for failing to address many of the SED’s potential impacts, including the impacts on the region’s dairy sectors, is that there is a lack of information necessary for pinpoint quantification.

Stratecon has taken a different tact. There will be a wide a range of potential regional economic impact outcomes based on: A) alternative considerations for how regional businesses and communities may mitigate the potential impacts of reduced regional agricultural production and increased depths to groundwater; B) how groundwater depths in different areas may be effected by projected increases in groundwater pumping; and C) the incremental costs of pumping water from greater depths. As such, the probability of specific outcomes within that range are extremely difficult to pinpoint. Accordingly, Stratecon doesn’t attempt to produce an exact answer as to the potential output and employment impacts of SED effects on the dairy and livestock

¹ It should be noted that the estimated “upper bound” impacts presented in the tables do not account for additional capital investment in groundwater pumping and treatment infrastructure by irrigators, irrigation districts and municipal water users due to SED-related declines in groundwater elevations and associated expected declines in groundwater quality. They, therefore, may be considered conservative.

production or farmer and community water costs. Instead, Stratecon focuses on developing economic impact estimates assuming that limited opportunities are available to regional dairy and livestock businesses for mitigating reduced local crop production and the high end of estimated potential increases in regional aquifer groundwater depths and observed cost of pumping groundwater, to provide an “upper bound” assessment of the SED 40’s potential regional economic impacts. Stratecon finds these impacts highly instructive for the SED evaluation process as to the potential magnitude and severity of the impacts that could occur.

Table EX-1 shows, for example, that the estimated upper bound average annual total lost economic output and employment within the Study Area that may result from the SED 40 before SGMA is approximately \$607 million (2015\$) and 2,976 jobs, respectively. Table EX-2 shows that in the expected peak year of SED 40 impacts before SGMA, the region’s total economic output and employment may fall as much as an estimated approximately \$2.75 billion (2015\$) and 12,739 jobs, respectively. The tables do not account for recreation or hydropower-related impacts. Stratecon was unable to obtain the data necessary to effectively quantify potential impacts on Study Area recreation spending and associated economic impacts because of SED-related reductions in regional reservoir elevations. However, those impacts are material, particularly during drier hydrologic years. Stratecon did not evaluate the potential economic impacts related to anticipated SED effects on Study Area hydropower generation as Stratecon believes those impacts are relatively small in comparison.

**Table EX-1
Average Annual Estimated Economic Impacts**

Average During Study Period Impact Category	Before SGMA			With SGMA		
	Lost Revenues/ Increased Cost (2015\$)	Total Lost Output (2015\$)	Total Lost Jobs	Lost Revenues/ Increased Cost (2015\$)	Total Lost Output (2015\$)	Total Lost Jobs
Reduced Crop Production Irrigation Districts	\$ 57,589,316	\$ 101,026,280	638	\$ 100,024,842	\$ 175,842,740	1,101
Reduced Dairy & Livestock Sectors Production (Upper Bound)	\$ 213,996,694	\$ 374,831,334	1,270	\$ 292,327,424	\$ 512,033,510	1,735
Increased Irrigation District Costs (Upper Bound)	\$ 25,310,496	\$ 27,378,418	223	N/A	N/A	N/A
Increased Other Irrigation Costs (Upper Bound)	\$ 73,065,124	\$ 79,034,700	643	N/A	N/A	N/A
Increased Urban Water Costs (Upper Bound)	\$ 23,025,416	\$ 24,906,642	203	N/A	N/A	N/A
Total	\$ 392,987,047	\$ 607,177,374	2,976	\$ 392,352,266	\$ 687,876,250	2,835

**Table Ex-2
Peak Year Estimated Economic Impacts**

Peak Year of Impacts During Study Period Impact Category	Before SGMA			With SGMA		
	Lost Revenues/ Increased Cost (2015\$)	Total Lost Output (2015\$)	Total Lost Jobs	Lost Revenues/ Increased Cost (2015\$)	Total Lost Output (2015\$)	Total Lost Jobs
Reduced Crop Production Irrigation Districts	\$ 259,856,755	\$ 457,288,570	3,050	\$ 449,311,194	\$ 787,683,503	4,996
Reduced Dairy & Livestock Sectors Production (Upper Bound)	\$ 1,042,793,423	\$ 1,826,531,252	6,188	\$ 1,387,009,263	\$ 2,429,451,230	8,230
Increased Irrigation District Costs (Upper Bound)	\$ 101,513,377	\$ 109,807,236	893	N/A	N/A	N/A
Increased Other Irrigation Costs (Upper Bound)	\$ 270,177,684	\$ 292,251,778	2,376	N/A	N/A	N/A
Increased Urban Water Costs (Upper Bound)	\$ 89,462,327	\$ 96,771,590	787	N/A	N/A	N/A
Total¹	\$ 1,735,395,477	\$ 2,751,921,335	12,739	\$ 1,822,286,141	\$ 3,194,565,527	13,206

1. Represents peak year for all categories combined so may differ from sum of peak year figures for each category.

The expected present value of total lost output in the Study Area equals \$14.5 billion over a 40-year horizon (2017-2056). The time profile of lost output reflects the pre-SGMA scenario for 2018 and 2019, a mix of the pre-SGMA and post-SGMA scenarios during the statutory SGMA implementation period (2020-2039) and solely the post-SGMA scenario thereafter.

SED implementation will fundamentally transform the investment landscape for agriculture and related industries within the Study Area. Lost water supplies reduce locally produced inputs for livestock and dairy operations. The volatility in locally produced inputs will more than triple the risk of shortfalls in available local inputs (from 18% to 61%). For operations relying on hay and pasture, expected unused capacity increases from 4% with baseline conditions to 23% under SED implementation before SGMA and 29% after SGMA implementation. For operations relying on grains, expected unused capacity increases from 1% with baseline conditions to 7% under SED implementation before SGMA and 11% after SGMA implementation. This increased risk in unused capacity reduces the economic incentive for investment. The consequences from reduced investment are not quantified in this study.

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State Water Resources Control Board

FOURTH REVISED NOTICE

COMMENT DEADLINE EXTENDED AND REMINDER OF FINAL PUBLIC HEARING DAY

NOTICE OF FILING AND RECIRCULATION, NOTICE OF OPPORTUNITY FOR PUBLIC COMMENT AND NOTICE OF PUBLIC HEARING ON

AMENDMENT TO THE WATER QUALITY CONTROL PLAN FOR THE SAN FRANCISCO BAY/SACRAMENTO-SAN JOAQUIN DELTA ESTUARY AND SUPPORTING DRAFT REVISED SUBSTITUTE ENVIRONMENTAL DOCUMENT

NOTICE IS HEREBY GIVEN that the State Water Resources Control Board (State Water Board) will receive public comments on the proposed updates (Plan Amendment) to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Bay-Delta Plan) and the recirculated draft revised Substitute Environmental Document (SED) in accordance with this notice. The proposed updates include new and revised San Joaquin River flow objectives for the protection of fish and wildlife beneficial uses, a revised salinity water quality objective for the protection of southern Delta agricultural beneficial uses, as well as a program of implementation for those objectives. The State Water Board is proposing to update the Bay-Delta Plan in accordance with a regulatory program exempt under section 21080.5 of the Public Resources Code from the requirement to prepare an environmental impact report (EIR) under the California Environmental Quality Act (CEQA) (Public Resources Code, § 21000 et seq.) and with other applicable laws and regulations.

The State Water Board initially provided this notice on September 15, 2016, and revised the notice on October 7, October 18, and December 9, 2016. The notice, as revised, remains in effect except for the change in the comment deadline and the change to the room location for the January 3, 2017 hearing, as noted below.

COMMENT PERIOD EXTENDED

The time to submit written comments on the proposed Plan Amendment and SED has been extended until 12:00 noon on March 17, 2017. Procedures for submitting written comments are described below.

REMINDER OF PUBLIC HEARING DAY

As stated in the third revised notice, dated December 9, 2016, the public hearing to receive public comments on the proposed Plan Amendment and the SED began on November 29, 2016 and continued on December 16, 19, and 20, 2016. The public hearing will conclude at:

January 3, 2017 – 9:00 a.m.
Joe Serna Jr. – CalEPA Headquarters Building
Byron Sher Auditorium
1001 I Street, Second Floor
Sacramento, CA 95814

Webcast available at: <https://video.calepa.ca.gov/>.

For information regarding project background; hearing procedural matters; future notifications; building parking, accessibility, and security; and additional information, please see the third revised notice at the following link:

http://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/bay_delta_plan/water_quality_control_planning/2016_sed/docs/third_revised_notice_baydeltaplan_phase%201.pdf

SUBMISSION OF WRITTEN COMMENTS

The State Water Board will accept both written and oral comments on the proposed Plan Amendment and the SED. Written comments must be **received no later than 12:00 noon on March 17, 2017**, and addressed and submitted to:

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814-0100

Comment letters may be submitted electronically, in pdf text format (if less than 15 megabytes in total size) to the Clerk to the Board via e-mail at commentletters@waterboards.ca.gov. Please indicate in the subject line: **“Comment Letter – 2016 Bay-Delta Plan Amendment & SED.”** You may also submit your comments by fax at (916) 341-5620. Electronic submission is preferred, but not required.

Couriers delivering comment letters must check in with lobby security personnel, who can contact Jeanine Townsend at (916) 341-5600.

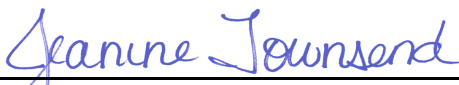
CONTACT INFORMATION

Please direct questions about this notice to Katheryn Landau at (916) 341-5588 or by email at Katheryn.Landau@waterboards.ca.gov, or to Timothy Nelson at (916) 445-5987 or by email at Timothy.Nelson@waterboards.ca.gov.

Additional information on the public hearing can be found at the State Water Board’s website at http://www.waterboards.ca.gov/board_info/calendar.

December 22, 2016

Date



Jeanine Townsend
Clerk to the Board

ATTACHMENT
II.A.

DELTA NEWS JANUARY 4, 2017 10:49 AM

Obama says full speed ahead on Delta tunnels project

BOOKMARK FOR LATER

MY BOOKMARKS



Delta tunnels battle heats up



1 of 2



BY DALE KASLER AND RYAN SABALOW
dkasler@sacbee.com

Two weeks before President Barack Obama leaves office, his administration vowed to move full speed ahead on California's controversial Delta tunnels project, calling it essential for the state's water supply as well as its environment.

Interior Secretary Sally Jewell issued an order Wednesday directing federal officials to complete a preliminary environmental review this month of the massive twin tunnels proposed for the Sacramento-San Joaquin Delta. She also ordered them to work with California officials on related projects aimed at restoring water quality and habitat for Delta smelt and other endangered fish species in Central Valley river basins that have been pushed to the brink of extinction in recent years.

Jewell's order acknowledged that Obama's time in Washington is running out and that his successor will have final say on whether the \$15.5 billion tunnels project, known as California WaterFix, becomes reality. The final federal review of the tunnels won't occur until April, when Donald Trump occupies the White House. Trump has said he wants to see more water delivered to California's arid San Joaquin Valley farm belt but hasn't specifically addressed the tunnels proposal.

Nonetheless, Jewell's order brings renewed urgency to the project, which has been on the drawing boards for years, and could sharpen debate over the plan.

California officials had expressed concern that the transition to a new administration in Washington, regardless of who was elected, would delay or potentially kill the project. Gov. Jerry Brown, the proposal's leading champion, applauded Jewell's directive and her commitment "to a timely review of the California WaterFix project."

Brown's administration has said groundbreaking could begin in 2018, the governor's final year in office, and Jewell's order signals that crucial decisions about the tunnels could be made in the coming months.

"It's certainly far from a green light for the project," said Doug Obegi of the Natural Resources Defense Council, which has been critical of the tunnels. But "it means we're headed toward a decision."

Like Brown, the Obama administration is trying to strike an elusive balance - addressing long-standing degradation of the Delta's fragile ecosystem while pushing forward with a re-engineering of the estuary that is opposed by many environmentalists, Delta landowners and local officials. Jewell's written directive said her agency is trying to advance "the needs of agriculture and municipalities, while simultaneously fostering conservation of species."

Her order comes at a pivotal time. Aside from the tunnels project, the political and regulatory climate is getting increasingly complicated in the Delta, which is the hub of the elaborate plumbing network that moves water north to south in California.

Obama just signed a bill aimed at increasing water shipments from Northern California to farms and cities in the San Joaquin Valley and Southern California. Yet California's powerful State Water Resources Control Board is moving toward imposing stricter environmental standards that would send more water flowing from the Delta to the ocean specifically to benefit fish and wildlife – and leave less water available for pumping. It remains unclear what will happen when and if the new federal law collides with state regulations.

As it is, the giant pumps that deliver water from the Delta frequently are dialed back because of concerns over smelt and other fish protected by the Endangered Species Act. Brown's plan would re-engineer that system, diverting a portion of the Sacramento River's supply at a point upstream, near Courtland, and shipping it to the Tracy pumps via a pair of underground tunnels 40 feet in diameter. By dramatically altering water flows in the estuary, administration officials say the tunnels would reduce harm to fish and enable pumping to proceed more reliably to 25 million residents in Southern California and the Bay Area, as well as millions of acres of farmland.

Brown's administration also has said the project wouldn't result in actual increases in Delta pumping – and that's making it harder for project proponents to push the tunnels over the finish line. The stricter environmental rules contemplated by state officials mean water deliveries could decrease even if the tunnels are in place. Because of that, the project still lacks financial commitments from the south-of-Delta water agencies that are responsible for paying for the tunnels.

Other hurdles abound. Environmentalists – who would prefer to see the Delta's problems solved through more stringent conservation strategies and cutbacks in water deliveries to Southern California – maintain the tunnels would mean more harm for fish, not less. Delta farmers and the area's elected officials call the project a “water grab” to help Southern California. Practically everyone opposed to the plan vows to file lawsuits to keep the tunnels from ever happening.

“It's more of the same,” said George Hartmann, a lawyer who represents Delta farmers, when asked about Jewell's order. “It's just more things to litigate quicker.”

For supporters of the project, Jewell's directive marked one more step forward in a decadelong quest. Water agencies already have spent more than \$200 million on planning costs.

"The order is a nice indication that the federal government takes this last quarter of a billion we spent trying to get this thing permitted seriously," said Jeffrey Kightlinger, who heads the Metropolitan Water District of Southern California, one of the chief proponents of the tunnels plan. "And it's sort of like a road map for the Trump transition team and the Interior (Department) to look to.

"Obviously, at the end of the day, if they follow that road map it's up to them."

Although Trump hasn't committed to the project, experts say his pledge to deliver more water to San Joaquin Valley farmers, and more generally his support for major infrastructure projects, could make him a natural ally.

The state Department of Water Resources is directing the tunnels project and released its final environmental impact statement last month. But the project can't go forward until federal agencies issue a declaration that the project can operate without violating the Endangered Species Act. That declaration can't be issued until the environmental reviews are performed - the reviews Jewell insisted must be completed by April.



Feds set timeline for action on Delta tunnels

Wednesday

Posted Jan 4, 2017 at 11:33 AM

Updated Jan 4, 2017 at 5:47 PM

By Alex Breitler
Record Staff Writer
@Alexbreitler

The outgoing Obama administration on Wednesday ordered federal agencies to "take timely action" on the Delta tunnels by issuing permits this spring.

That timeline already was part of the plan, and the final decision will be up to the incoming Trump administration.

Still, Wednesday's order from U.S. Secretary of the Interior Sally Jewel "commits the federal government to a timely review" of the tunnels, Gov. Jerry Brown said in a prepared statement.

"This state-federal partnership is what's needed to improve water reliability for residents and farmers and protect vulnerable ecosystems," the governor said.

To become a reality, the tunnels need approval from federal fish agencies. But other obstacles remain, as well.

Proponents need approval from state regulators to change the water rights of the state and federal projects, allowing them to divert some of their water directly from the Sacramento River instead of letting it flow through the Delta first.

Also, the water agencies that would benefit from the tunnels must agree to pay for them - likely a more difficult decision for farmers, who are not expected to benefit as much as urban water users.

Finally, opponents are almost certain to sue.

"None of this changes the sign-off process," Barbara Barrigan-Parrilla, head of Stockton-based Restore the Delta, said following Wednesday's announcement. "But these moments are big for Gov. Brown because he's trying to ram the project through."

Jewel's written order says that a "broad scientific consensus" has developed that the only way to avoid big reductions in the amount of water that can be pumped south from the Delta is to build a new conveyance system.

Delta advocates dispute this "consensus," saying that the current level of water exports is unsustainable and that the science shows the estuary needs more fresh water, not less.

Jewel's order contains other provisions to address the drought and future climate change, including a requirement that additional water be sent through the Delta each year to help struggling smelt populations. Surveys this fall revealed the **second-lowest smelt population on record.**

- Contact reporter Alex Breitler at (209) 546-8295 or abreitler@recordnet.com. Follow him at recordnet.com/breitlerblog and on Twitter [@alexbreitler](https://twitter.com/alexbreitler).



Supervisors will discuss intentional non-ag Delta flooding

Monday

Posted Jan 9, 2017 at 6:00 PM

Updated Jan 9, 2017 at 6:02 PM

By **Wes Bowers**

Record Staff Writer

[@WBowersTSR](#)

STOCKTON - The San Joaquin County Board of Supervisors will conduct a public hearing Tuesday to consider extending an interim urgency ordinance that would prohibit the flooding of agricultural land in the Delta in manners considered inconsistent with common practice.

One year ago, supervisors adopted a 45-day emergency ordinance prohibiting flooding in the Delta. At the end of the 45 days, the board granted an initial extension to last 10 months and 15 days, according to Tuesday's agenda.

If adopted, the prohibition of flooding would last another 12 months. It will be the last time supervisors will be allowed to extend the ordinance, according to Tuesday's staff report.

When the emergency ordinance was initially adopted, county counsel Mark Myles said the purpose was not to dictate what current or potential property owners in the Delta are able to do with their land. Rather, the purpose is to allow the county time to look at intended land uses suggested by property owners and determine if they are consistent with the General Plan.

"We need to finish our analysis on whether this interim ordinance will adequately address future issues, or if we have to craft something else," Myles said.

Common flooding practices for agricultural uses in the Delta have included periodic flooding for crops such as rice as well as seasonal flooding for duck hunting clubs.

County staff will provide a report of its analysis to the board before the ordinance's expiration. Once the ordinance expires, Myles said property owners potentially could begin flooding their properties again for non-agricultural uses.

He said the board could take other action, however, to limit or prohibit such activities after the ordinance expires.

"I don't think the current interim ordinance will fully address future issues," he said.

In September 2015, the county learned that Delta Wetlands Properties intended to sell four islands in the Delta totaling 20,000 acres.

At the time, the Westlands Water District of Fresno, as well as the Metropolitan Water District of Southern California, based in Los Angeles, both discussed purchasing the properties.

Metropolitan ultimately purchased Bouldin and Bacon islands, Holland and Webb tracts, and the much smaller Chipps Island in July for \$175 million.

District officials have stated that the properties could be used to stage construction equipment or store spoils, among other things.

Delta activists and critics fear the purchase could help facilitate Gov. Jerry Brown's \$15 billion twin tunnels.

These kinds of flooding practices still will be allowed under the ordinance.

The public hearing will be conducted following the installation of supervisors Tom Patti and Miguel Villapudua and after a new board chair is selected.

Adoption of the ordinance extension requires support from four of five supervisors.

Tuesday's meeting begins at 9 a.m. at 44 N. San Joaquin St., Sixth Floor, in Stockton.

Contact reporter Wes Bowers at (209) 546-8258 or wbowers@recordnet.com. Follow him at recordnet.com/bowersblog and on Twitter [@WBowersTSR](https://twitter.com/WBowersTSR).

ATTACHMENT
II.B.



New Congress likely to address regulatory reform

Issue Date: [January 4, 2017](#)

By Christine Souza

In the early days of the 115th U.S. Congress, lawmakers are expected to address an issue that has been a key concern of farmers and ranchers: unnecessary or duplicative regulation by the federal government. The new, Republican-led Congress will likely take up regulatory-reform legislation early in the coming session.

"Regulatory reform is a very broad way of defining the problems that we face—the paperwork, expectations, rules, laws, fees, permits, penalties, including criminal penalties—all of that goes under this big umbrella," said Josh Rolph, California Farm Bureau Federation Federal Policy manager.

With members of Congress set to be sworn in early this week, Rolph said, the transition to a new Trump administration and a Republican-controlled legislative branch leaves "the expectation that things can get done."

"We have a business-minded incoming president, and we expect the new administration to look at WOTUS (a "waters of the U.S." rule opposed by farmers and ranchers) and other regulations," Rolph said. "Regulatory reform is a big deal. We have to advocate to bring some more common sense to help us run our businesses."

San Joaquin County winegrape grower Brad Goehring said farmers and ranchers feel overwhelmed by the abundance of costly regulations handed down by government agencies.

"It's just everything. We can hardly make a move anymore without having to wonder what permit we have to file for; it's just hamstringing us," Goehring said. "In terms of regulations such as WOTUS, those things are basically land takings and a violation of private property rights. The government tells you that you can't use your own land to do this or that, or stay away from this corner of your land, but then they don't pay you for that land that you just have to let sit idle."

Goehring said he is optimistic about prospects for regulatory reform in the next Congress and under a Trump administration.

"The people spoke in this election and they are tired of not just the regulatory arena, but just government in general has gotten too big and cumbersome. It has to be pared back," he said.

Paul Schlegel, American Farm Bureau Federation director of environment and energy policy, said the House of Representatives is likely to debate regulatory-reform legislation during the second week of January.

"What we want to do in the process arena is to say, 'Look, when you develop regulations, you have to be open and transparent and you have to give the stakeholders enough notice and you have to respect state agencies who implement the statutes,' so there's a whole series of process-related things," Schlegel said. "We think if we can improve the process, we can improve the eventual result."

The legislative effort for regulatory reform may involve one or more pieces of legislation, one of which is likely to be the Regulatory Accountability Act, which was introduced in the previous Congress as H.R. 185 by Rep. Bob Goodlatte, R-Va.

Farm Bureau has been encouraging Congress to take up the issue because of agriculture's experience with the WOTUS rulemaking, a regulation that Schlegel said "allows the federal government to regulate in ways that they have never done before," with particular impacts on agriculture.

Enacted in 2015 by the U.S. Army Corps of Engineers and Environmental Protection Agency, the WOTUS rule would bring more waterways and wetlands under jurisdiction of the Clean Water Act, agricultural groups say. Farmers, ranchers and agricultural organizations fear it could bring widespread restrictions on farmland and routine agricultural activities.

AFBF has recommended the regulatory reform legislation be amended to include a prohibition on the use of social media by agencies as a means of influencing a rulemaking, citing the EPA "Ditch the Myth" campaign for the WOTUS rule as an example of agency abuse. The EPA came under fire for acting as a vocal and highly politicized advocate for its proposal, rather than as a fair broker that would weigh all public comments impartially.

"WOTUS, we feel, goes beyond the law, but we also feel the conduct of the agency in developing it was inappropriate and in some cases was illegal," Schlegel said. "What we're aiming at in the regulatory-reform effort is to try and put some boundaries and some guidelines on what agencies do and how they do it, so that their science is transparent."

In addition, Schlegel added, there are broader questions related to how agencies use science and economic data: how they can be held accountable, how much time they give stakeholders to respond to what has been proposed and how they engage with state regulators.

"There's a whole series of steps that we think can be improved," he said.

The regulatory-reform legislation is likely to pass the House, observers said, but added there will be a need in the Senate to win support from Democratic senators.

(Christine Souza is an assistant editor of Ag Alert. She may be contacted at csouza@cfbf.com.)

Permission for use is granted, however, credit must be made to the California Farm Bureau Federation when reprinting this item.

ATTACHMENT
II.C.

THE BEST DEALS IN TOWN

Expand

BREAKING

Jury sentences Dylann Roof to death for 2015 church slayings

http://hanfordsentinel.com/news/local/valadao-introduces-major-water-bill/article_30d09d2e-cc04-5da9-a03d-6d7638b1d592.html

Valadao introduces major water bill

Dubbed the Guiding Responsibility on Water Act

Seth Nidever Staff Reporter Jan 4, 2017



David Valadao

Contributed

HANFORD – Rep. David Valadao, R-Hanford, has introduced a major new water bill in the U.S. House of Representatives that could increase the flow of Northern California water to Kings County.

Valadao announced the legislation Tuesday.

"This Western drought has had devastating consequences on my constituents in California's Central Valley," Valadao said in a written statement. "My bill ... will enact policies to expand our water infrastructure and allow for more water conveyance while protecting the rights of water users across the state."

The bill attempts to ease environmental flow restrictions that have limited water deliveries to western Kings County that pass through the imperiled ecosystem of the Sacramento-San Joaquin River delta.

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Farmers use the water to grow crops.

A press release issued by Valadao's Washington, D.C. office stated that the bill would also "cut red tape holding back major water storage projects that have been authorized for over a decade, which will aid the entire Western U.S. during dry years."

The reporter can be reached at snidever@hanfordsentinel.com or 583-2432.

Seth Nidever

Currents

— Photos: The Obamas through the years

— 5 Beautiful Caribbean Winter Escapes

Delta pumping continues amid fish worries

Saturday

Posted Jan 7, 2017 at 12:01 AM

Updated Jan 7, 2017 at 7:22 PM

By Alex Breitler
Record Staff Writer
@Alexbreitler

Federal officials on Friday approved short-term pumping limits from the Delta that are higher than a team of experts **had recommended** days earlier to protect imperiled fish.

In theory, **the decision** by the U.S. Fish and Wildlife Service could lead to the first use of a controversial new law that allows higher levels of pumping under certain circumstances. The drought-related provisions were tucked into a broader water infrastructure bill approved by Congress and signed by President Barack Obama in December.

In a written decision on Friday, the agency said it had concluded that vulnerable Delta smelt had already migrated to spawning areas and thus were not in need of a higher level of protection. That's contrary to Tuesday's recommendation from the fish experts, who called for "immediate additional protections beyond those currently in place."

The situation shows how complicated Delta pumping can be during the winter, when storms provide the opportunity to divert large amounts of water at the same time that fish nearing extinction need added protection.

The massive storm expected to pummel California today may provide high enough river flows to keep fish away from the export pumps while also allowing for safe increased pumping, said Shane Hunt, a spokesman for the U.S. Bureau of Reclamation in Sacramento.

"Given where the storm is going to hit, we're going to see San Joaquin River inflows come up quite a

bit," Hunt said.

High flows on the San Joaquin means that two other channels, the Old and Middle rivers, may not flow backward toward the pumps as rapidly, if at all. That would be good news for the fish, since the backward flows draw them closer to death at the pumps; it would also be good news for water users from the Bay Area to San Diego who would benefit from more pumping during the wet days to come.

Even if the storm delivers, Bill Jennings, an environmentalist and head of the Stockton-based California Sportfishing Protection Alliance, called Friday's decision to go with higher pumping levels an example of "political decision-makers overriding scientists." The group that called for greater protections includes experts from the very agencies that operate the pumps; their ongoing review of pumping operations is required under a set of rules known as "biological opinions" to satisfy the Endangered Species Act.

"The biological opinions and the recommendations of the expert technical teams are not being followed" by agency administrators, Jennings said.

Adding yet another layer of complexity is the new law, negotiated by U.S. Sen. Dianne Feinstein, which is intended to provide more water during big storms when river flows are high. Those storms are also a sensitive time for fish. The Delta smelt are drawn into rivers that storms have clouded with mud and silt, and the fish follow those conditions into the danger zone near the pumps.

The expert team found on Tuesday that there was still a "high risk" that smelt would migrate toward the pumps with the coming storms, and would spawn nearby, endangering their offspring and putting a large percentage of the population at risk. They said pumping should be temporarily reduced so the rivers flow backward at a rate of no more than 2,000 cubic feet per second.

But Fish and Wildlife found that the smelt should have already completed their migration after a large storm in December. Friday's decision allows the rivers to flow backward up to an average 5,000 cfs but adds that provisions in the new law "must be taken into account."

Those provisions allow even higher levels of pumping. However, Hunt said that additional "flexibility" may not be necessary for the near future if the storms allow the pumps to operate without approaching the limits established in Friday's decision.

- Contact reporter Alex Breitler at (209) 546-8295 or abreitler@recordnet.com. Follow him at recordnet.com/breitlerblog and on Twitter [@alexbreitler](https://twitter.com/alexbreitler).

ATTACHMENT
II.D.



Flooding: It's happened before

Thursday

Posted Jan 5, 2017 at 6:32 PM

Updated Jan 5, 2017 at 6:32 PM

By Alex Breitler
Record Staff Writer
@Alexbreitler

This weekend's potentially historic rainfall brings back all sorts of memories in a flood-prone city such as Stockton, where, if you stay long enough, you're going to get wet eventually.

There is no indication that the coming storm will prove as calamitous as past episodes. Still, after near-continuous drought conditions over the past decade, it's worth reminding ourselves what has happened here before - and is bound to happen again, someday.

From Stockton to Venice

Longtime Stocktonians still talk about Christmas 1955, the last time the city saw substantial urban flooding.





More than 4 inches of rain fell in two days - more, even, than is expected this weekend. Snow in the Sierra melted, a phenomenon that may repeat this Sunday. Water coursed down the Calaveras River from the foothills and spilled into Mormon Slough, an afterthought of a stream that had been plugged by roadways and bridges.

The result was devastating as portions of south Stockton flooded. Streets, driveways, garages and homes were inundated. Boats took the place of cars as thousands fled. The city itself has been more or less dry ever since.



Double punch

In early February 1986, back-to-back storms delivered a year's worth of rain in 10 days to some Northern California areas.

This time the damage in the Stockton area was primarily to farmland, though Interstate 5 north of the city transformed into a river, and homes in the Thornton area were swamped.





Near Walnut Grove, a cluster of houseboats was slammed by strong currents against a bridge and had to be removed by crane.



New Year's nightmare

Yet again, the rain-on-snow scenario led to one of California's most serious floods at the onset of 1997. In San Joaquin County alone, 10 levees failed along the San Joaquin River, flooding an estimated 25 square miles of mostly agricultural land.

But the year is perhaps best remembered for what happened in Yosemite, as the melting snow whipped the Merced River into a fury and forced the national park to close for two months.

Yosemite Floods 1996 and 1997

Fearing a repeat, Yosemite officials warned this week that the park may close again this weekend.

Close call

By New Year's Eve in 2005 things were looking downright scary. A series of storms had boosted river levels higher and higher. On top of that, high tides were expected along with strong winds. This combination can be fatal for Delta levees.

The storms died down just in time, as crews patched up the battered levees.

"We did dodge a bullet," Mark Madison, who was then director of Stockton's Municipal Utilities Department, said at the time.



Looking back - and forward

All of these stories pale in comparison to 1862, when 45 days of rain turned much of the Central Valley into an inland sea, forcing Gov. Leland Stanford to take a rowboat to his inauguration.



K, STREET, FROM THE LEVEE.

**INUNDATION OF THE STATE CAPITOL,
City of Sacramento, 1862.**

It sounds extreme - and it was - but a few years ago researchers with the U.S. Geological Survey published details of a "**scientifically plausible**" scenario in which a similar catastrophe occurs during modern times. They produced hypothetical maps depicting much of Stockton underwater. San Joaquin County alone would experience \$22 billion in property damage if such a disaster occurred today, the experts said.



Bottom line

The good news this weekend is that some reservoirs - New Melones Lake, in particular - still have lots of room to capture water upstream of cities such as Stockton. The snowpack is not as large as it was preceding other flood years. And much has been done over the past half-century to shore up levees protecting the city and Delta farmland.

Still, as multiple storms line up in the Pacific, history shows us the potential here. And forecasters and flood control officials say we'd be wise to pay attention.

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Storm surge: Levees under patrol as water problems in Delta grow

Wednesday

Posted Jan 11, 2017 at 8:00 PM

Updated Jan 11, 2017 at 9:25 PM

By **Alex Breitler**
Record Staff Writer
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Flooding concerns intensified in the the Delta on Wednesday as huge volumes of water surged down creeks and streams into the low-lying river estuary.

Higher than expected water levels had crews patrolling levees and watching carefully for any sign of trouble. An estimated 245,098 cubic feet of water per second was pouring into the Delta, the equivalent of nearly three Olympic-sized swimming pools every second.

And it didn't end on Wednesday: By high tide late Thursday, the rivers may be even higher as the slug of water from earlier storms passes out to San Francisco Bay.

"When the water's this high you could have a beaver hole open up and you could have a real problem. You could lose a levee," said Dante Nomellini, a Stockton attorney who represents Delta farmers.

Century-old Delta levees protect farmland that in some cases is well below sea level. Hundreds of millions of dollars have been spent improving the levees in recent decades, but they still are considered vulnerable to failures that can flood farms, roads and utilities and disrupt the water supply for much of California.

Evidence of the massive flow into the Delta was everywhere on Wednesday. The Calaveras River in Stockton was running high as officials began **releasing some water** from upstream New Hogan Lake to save room for future storms. Just 13 months ago, New Hogan was a mere 20 percent of average; this week, in a period of two days, it rose from 98 percent to 127 percent of average.

The Stockton Diverting Canal, a normally dry channel built more than a century ago to save Stockton from devastating flooding on the Calaveras, also was running high. Farther downstream, the water inched high enough to inundate the deck behind a home in Riviera Cliffs.

A similar rise was happening, but to a much larger extent, on the Mokelumne River, where the high waters broke through a levee early Wednesday and flooded farmland in south Sacramento County. The Mokelumne **may crest even higher early Thursday**, about 3 feet lower than its reach during the great floods of 1997.

To the south, the San Joaquin River is expected to **continue rising** as well, though it has more room to grow within its banks. Projections on Wednesday suggested that the river could rise high enough to cause water to seep onto adjacent farmland.

Bottom line: Just because it's stopped raining doesn't mean the flood concerns have evaporated. The National Weather Service's **flood warning**, which extends throughout much of the Central Valley, will carry on at least into Thursday.

The San Joaquin County Office of Emergency Services upgraded to a higher alert level on Wednesday, recommending that public agencies be ready to mobilize if a serious flood occurs.

"There's enough potential," said Michael Cockrell, the local OES director. "In all four directions of the county, we see flood threats."

But before all that water can escape toward the bay, it must pass through the Delta, where there has been no major levee failure since the sunny-day **Jones Tract collapse in 2004**.

Potential threats include wind eroding the sides of the levees and beaver holes that can weaken their integrity, Nomellini said. A sinkhole discovered on Upper Jones Tract on Sunday has been filled and "looks like it's OK," he said.

Nomellini said the water levels in Rio Vista on Wednesday appeared to be about **10 inches higher than expected**. The tides, runoff from the mountains and barometric pressure are factors, making the actual water level hard to predict.

But it's not hard to see that the water has gone up progressively since the first major storm on Sunday. Each day, water has spilled higher onto the waterfront promenade in downtown Stockton; on Wednesday even the pedestrian benches were perched in a pool of water.

Rising water at Weber Point this evening. pic.twitter.com/pZA8HoXae1

â€” Mike Fitzgerald (@Stocktonopolis) January 12, 2017

Members of the California Conservation Corps were dispatched to Twitchell Island, south of Highway 12 in Sacramento County, to put plastic sheeting and sandbags over the levee to protect it from wind-whipped waves.

As Nomellini put it: "We're keeping our fingers crossed."

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SFGATE <http://www.sfgate.com/science/article/Oil-companies-face-deadline-to-stop-polluting-10825298.php>

Oil companies face deadline to stop polluting California groundwater

By **Peter Fimrite** Updated 5:18 pm, Thursday, December 29, 2016



In this January 2015 file photo, a person walks past pump jacks operating at the Kern River Oil Field in Bakersfield, Calif.

Seven oil companies, including petroleum giant Chevron, have been given until the end of the week by state officials to stop their decades-old practice of injecting oily wastewater into Central Valley aquifers or face penalties.

The state Division of Oil, Gas and Geothermal Resources ordered the companies to stop pumping wastewater from drilling operations into 10 underground aquifers, which the oil companies were using despite federal regulations protecting the groundwater.

The regulations require 30 active injection wells to be closed by Dec. 31 or “we would pursue legal action and/or penalties,” said Teresa Schilling, spokeswoman for the resources agency. Violations carry fines of \$2,500 to \$25,000 apiece. Schilling said most operators are complying or have already complied with the order.

None of the aquifers is now used for drinking water, but environmentalists say they could be tapped in the future. Most are in the Bakersfield area, but one is in Solano County, near the Bunker Gas Field south of Dixon.

“This is a big deal because it’s about protecting underground drinking water,” said Keith Nakatani, the oil and gas program manager for the environmental group Clean Water Action. “We are increasingly reliant on groundwater because of the recent drought and a loss of snowpack — all the more reason to be protective of our resources. Yet the oil and gas industry has been allowed to pollute those resources for decades.”

Disposal of oil and gas drilling wastewater is a big issue in the Central Valley, where most of California’s petroleum production takes place. Kern County, the top oil-producing area in the state, accounts for 80 percent of California’s oil.

The 10 aquifers in question were **supposed to be protected by the state**, but a bureaucratic snafu led officials to believe that the oil companies had obtained exemptions under the U.S. Safe Drinking Water Act, which shields groundwater supplies from pollution.

The oil companies had been dumping leftover water from drilling for three decades by the time state regulators found out in 2014 that the U.S. Environmental Protection Agency had never granted them permission to do so.

There is no evidence that drinking water in the Central Valley has been contaminated, but the revelation caused a furor and prompted lawmakers to demand reforms at the state agency that regulates oil-field operations.

Five companies including Chevron Corp., which manages nine of the injection wells, and Kern River Holdings Inc., which operates six, told the state they have set up replacement projects elsewhere.

“Chevron has developed alternative plans and will not be injecting into the aquifer subject to the Dec. 31, 2016, regulatory deadline,” company spokeswoman Isabel Ordóñez said in a statement.

The biggest impact will be on California Resources Corp., which must shut down 10 active injection wells. Company officials could not be reached for comment.

The EPA ruled in 2015 that the 10 aquifers being used by the oil companies lie too close to the surface — in one case, as shallow as 200 feet. Shallower water is usually better quality, with less salt, making it more suitable for drinking. Regulators and conservationists believe the potential use of the aquifers for drinking water should be protected.

An 11th aquifer known as the Walker Formation has also been used by the oil companies since 1983, but a portion of that one is under review by the EPA for an exemption, which would allow continued wastewater injections.

The shutdown order this week is part of a major statewide crackdown. The state has issued a Feb. 15 deadline for oil companies to halt injections in at least 50 other aquifers in the Central Valley and elsewhere unless the operators obtain exemptions.

California's oil fields contain large amounts of salty water, the remains of an ancient sea. As a result, oil drillers suck up 15 barrels of water for every barrel of oil they reap.

If the water is clean enough, it can be treated and used for irrigation. But most of it contains other substances too, including boron and toxins that can poison groundwater and kill birds. The recommended way to get rid of it is to inject it into the ground, preferably into the oil-bearing formation or deep enough so that it won't seep into an aquifer.

The problem is that for 33 years, state regulators have allowed oil companies to inject billions of barrels of wastewater into aquifers that contained water clean enough to be used for drinking or irrigation. Recent studies indicate that some of the injections **may have caused earthquakes**.

The division of oil and gas has identified a total of 178 wells that had injected wastewater into legally protected aquifers, a few of which were close to drinking water wells. Some of the injection wells had already been shut down, and others had been converted into oil extraction wells.

Over the past couple of years, the division, which is part of the California Department of Conservation, has shut down more than two dozen of the remaining wells, most of them in Kern County, with a couple in Ventura and Los Angeles counties.

The state devised a schedule for the rest of the closures to give oil companies time to make other arrangements. The slow pace of the closures has infuriated environmentalists, who want state officials to follow up after the February closures and study the cumulative effects of all the injections instead of just wiping their hands clean after the deadline passes.

“The oil and gas industry is the most influential lobby in Sacramento, so this is a big step in the right direction, but a lot more needs to be done,” Nakatani said. “The state should now assess any damage resulting from these illegal injections, because there is no doubt there is pollution — possibly irreversible pollution — and the state should determine how to fix it.”

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