MESSAGE FROM THE CEO



Jason Phillips
Chief Executive Officer

It's been several months since
I've taken the opportunity in
the monthly eWaterline to provide

an update on the status of the Friant Kern Canal Middle Reach Capacity Correction Project.

You've heard and read in recent years about the problem that we're trying to solve, and it's a big problem. Decades of land subsidence caused by unregulated and continued groundwater overdraft has caused the Friant-Kern Canal, which is a 152 mile long gravity fed canal, to sink as much as 14 feet in the area between Porterville and Delano. This damage has resulted in a 60% loss of carrying capacity. This water supply impact has caused harm, not only to the farms that make the economic engine in the San Joaquin Valley run, but also to cities and communities, whose primary source of drinking water is from the underground aquifer.

You've also heard about the unique funding structure and partnership that's been developed to make the project go. At a time when political conflict seems to be the norm, our project is, in every way, a great example of how Federal, State, and local partners can coalesce to make a major infrastructure project possible.

You've heard about historic flooding in the region and how it has impacted the equipment, workload, and the schedule of this project. It has been challenging and frustrating sometimes, but thanks to our project partners and a strong commitment from the FWA Board of Directors, the project remains on schedule.

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COALITION OPPOSES BILLS TO OVERHAUL WATER RIGHTS RULES

Reprinted from the Ag Alert, June 21, 2023

As California experiences wild swings in climate from drought to floods, critics of the state's water rights system seek to overhaul rules that date back to California's founding in 1850.

Three water rights bills are pending in the California Legislature that would expand the authority of the California State Water Resources Control Board. The bills are opposed by a large coalition that includes dozens of farm groups, water agencies and business groups. Kristopher Anderson, legislative advocate for the Association of California Water Agencies, said the bills "collectively and individually present a foundational change in the way California's water rights system is implemented, managed and enforced."

ACWA, which represents more than 460 public water agencies that deliver 90% of water throughout the state, is joined by the California Farm Bureau and others in opposing the three measures:

- Assembly Bill 460, by Assembly Member Rebecca Bauer-Kahan, D-Orinda, would
 give the state water board authority to issue interim relief orders to curtail water
 diversions. The measure also would increase civil fines for violations of the orders.
- AB 1337, by Assembly Member Buffy Wicks, D-Oakland, would give the water board legal authority to override claims of water rights for the purpose of ordering curtailments.
- Senate Bill 389, by State Sen. Ben Allen, D-Santa Monica, would authorize the state board to adopt regulations that enable it to investigate the diversion and use of water from a stream system to determine basis of right.

"The bills would authorize the state water board to impose punitive penalties on even law-abiding water right holders, curtail water rights in any year and strip entities of their water rights," Anderson said. "This legislation would create a significant amount of uncertainty and lead to unintended consequences, not just for water right holders, but communities and businesses across the state that depend on a reliable water supply."

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UPCOMING EVENTS

AUG 14

FWA Executive Committee Meeting Lindsay, CA

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AUG 28

FWA Finance Committee Meeting Lindsay, CA CLICK FOR INFO

AUG 31

FWA Board of Directors Meeting Visalia, CA CLICK FOR INFO

SEP 18

FWA Executive Committee Meeting Lindsay, CA CLICK FOR INFO With that as a background, I am pleased to be able to share with you this month, that after a year and a half of dedicated work and commitment from the Friant Water Authority Board of Directors and staff, the United States Bureau of Reclamation, and the construction contractor, the much-anticipated canal lining has begun.

Just a few days ago, the heavy equipment that is designed specifically for projects like ours began the steady process of pouring the concrete that will become the new realigned canal. Starting just north of Deer Creek, and headed north, you will see in the images contained in this month's newsletter what we've all been waiting for. It's a welcome sight. It's anticipated that with every day that passes, about 2000 linear feet of canal lining will be poured.





To be sure, there's still several months of hard work ahead, but it's safe to say that this project, which is the most important major construction project in Valley, is nearing completion.

Stay tuned for more.



Article continued from page 1

The bills, including two passed in the Assembly and one that has cleared the state Senate, follow actions identified in an April report on managing water scarcity underwritten by the state and conducted by the University of California, Berkeley, Center for Law, Energy & the Environment. The report recommended the Legislature and the state water board establish routine curtailments. "To effectively manage California's surface water resources, the state needs to implement curtailments on a regular basis, not only in times of extreme crisis," it said. The report also called for stronger penalties for violation of curtailments and improved data that require more frequent reporting.

California Farm Bureau senior policy advocate Alexandra Biering said the bills are an attempt to tighten enforcement and are a response to past instances of water rights holders ignoring curtailment orders and only paying small fines after diverting water. "The penalties in place for illegally diverting water have not been a deterrent," Biering said. The coalition opposing the measures understands that the state must be agile and responsive to California's changing hydrology, Biering said, adding, "We want the state water board to be effective, but these are bills that would really upend the water rights system in the state."

She said the bills go too far in a legislative overreach that could have severe consequences. "When you're dealing with something that is one of the bedrock resource inputs for the fourth-largest economy in the world, it is worth being thoughtful, taking your time and doing it right," Biering said. "With these bills, the state water board would no longer have increased powers during periods of scarcity, but all of the time."

The coalition emphasized the state's water-priority system plays an essential role in the California economy, affecting water management, agriculture, housing construction, jobs and water affordability and property values. "Billions of dollars have been invested over decades to ensure that we can capture and store water to serve Californians in all types of water years," Anderson said. "The water system has served as the foundation of those types of investments, so this idea of wholesale change to the water right system does create a significant amount of uncertainty for water rights holders."

According to ACWA, credit-rating agencies have begun to ask how pending water rights bills could affect land values, finance and investments in new water projects. Accredited rural appraiser Janie Gatzman, owner of Gatzman Appraisal in Oakdale, said data trends show water policy decisions, such as California's 2014 Sustainable Groundwater Management Act, affect land values. She cited figures published in a March study by the California Chapter of the American Society of Farm Managers and Rural Appraisers.

Tracking land values by water source in Fresno and Madera counties, excluding federally supplied water, buyers paid 48% more for land planted with almonds in a water district compared to other almond properties that operated outside a water district, she said. In 2022, buyers paid 105% more for properties planted to almonds with a more certain water supply.

"It is clear by the data that as the threat of SGMA pumping restrictions increased in this region, values for both irrigated cropland and almond orchards that relied only on well water for irrigation decreased, while values for both irrigated cropland and almond orchards that were in-district increased," said Gatzman, who farms almonds in Stanislaus County. "The unintended effects of these regulations are quite widespread in the Central Valley, more so than most legislators realize."

Buyers and landowners fled areas that are now seen as water insecure, Gatzman said, adding that this trend will increase where water rights are less secure and water is less abundant. "It's very expensive to farm in California," she said. "Most farmers have to have a loan on their property to farm, so now, loan-to-value ratios are getting into dangerous territory, especially with a drop in nut prices. There are a lot of people farming in the red and have been farming in the red for the past several years," she added. "Go and decrease their land value, and their banker's going to come and call the loan due."

Increased regulations, Gatzman said, ultimately impact farmworkers and associated businesses, such as irrigation supply companies, nurseries, crop consultants and equipment dealers. "All of the communities rely on a healthy ag economy. What are they going to do if values decline this much?" Gatzman said. "We've already seen that happen in Westlands (Water District) with so much land going unplanted due to no water."

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MEET THE FRIANT FAMILY

AARON FUKUDA

General Manager

Tulare Irrigation District

Aaron Fukuda is general manager of the Tulare Irrigation District, where he oversees the district's day-to-day operations while continuing to promote the conjunctive use operations of the district and its growers. Recently, Aaron was also appointed as the interim general manager of the Mid-Kaweah Groundwater Sustainability (MKGSA) agency, where he coordinates water activities with surrounding jurisdictions, including the development of the groundwater sustainability plan for the MKGSA. Previously, he spent six years as an associate engineer specializing in agricultural hydraulic design at Summers Engineering. Aaron obtained his Bachelor of Science in civil engineering from Cal Poly, San Luis Obispo in 2000 and his master's in public administration from California State University, Fresno. He was born and raised in Hanford, California.



AARON FUKUDA

SAM STOOPS

Water Resources Technician

Growing up north of Visalia in the country on a small farm, Sam Stoops learned from his father who lived it, "If it's worth doing, it's worth doing right." For Sam, he had a ditch running behind his childhood home, but he never dreamed that he would be operating a 150-mile canal. After attending College of the Sequoias in Visalia, and Point Loma Nazarene University in San Diego, Sam worked for a company for four years that built power supplies and main frames for computers. He married his wife Ruth and began working for a circuit board manufacturer in the quality control department and then ran a testing department until it closed. In February 1992, he began working for Friant Water Users Authority as a Canal System Operator. For nine years, Sam calibrated transmitters and recorders to measure the flows going to the water districts. In 2001, he then started operating the canal and accounting for all the water going through it as a Water Resource Technician.



SAM STOOPS

Sam and his wife have five children and 10 grandchildren, who they love spending time with. He is also going to be hitting a very special milestone with his wife, as they will be celebrating their 40th wedding anniversary this upcoming October. One of his biggest challenges was on March 10, 2023, dealing with all the water cuts in the canal so they could handle the flooding. Water Operations cut 950 cubic feet per second on the four days before March 10. He says that, "I did not think it was possible, but with everyone's help, and of many prayers, we made it through." Sam is extremely thankful for the opportunities at Friant and loves working his job. "It's been the hardest and best here at Friant Water Authority, the people here and at the Districts have been fantastic."

PODCAST OF THE MONTH

A VOICE FOR RURAL AMERICA

THE CENTRAL VALLEY: A CASE FOR INVESTMENT IN AMERICA'S WATER INFRASTRUCTURE

A VOICE FOR RURAL AMERICA

Congressional Western Caucus Chairman

Dan Newhouse (WA-04) hosts Rep. John Duarte(CA-13) and

Executive Vice President of Harris Farms, Inc., William Bourdeau,
to discuss the importance of investment in water infrastructure
in the Central Valley in California and throughout the country as
well as the critical role of the federal government in supporting
communities impacted by dilapidated water infrastructure systems.

CLICK HERE FOR LINKS TO LISTEN!

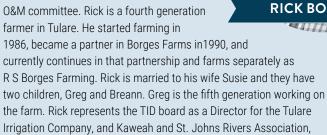


RICK BORGES

Vice Chairman

Director - Tulare Irrigation District

Rick serves on the Friant Water Authority Board of Directors representing Tulare Irrigation District, where he serves as vicechair of the board. He serves as an alternate on the Executive Committee and chairs the 0&M committee. Rick is a fourth generation farmer in Tulare. He started farming in



and is a Director for Kaweah Basin Water Quality Association.

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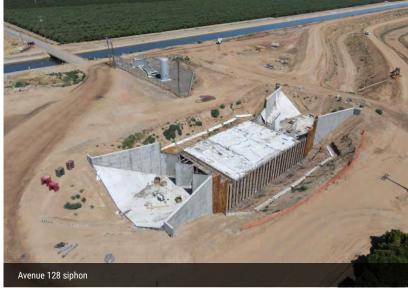
FRIANT-KERN CANAL MIDDLE REACH CAPACITY CORRECTION CONSTRUCTION PROGRESS UPDATE

Cleanup work from the March storms continued around the Deer Creek Site. Canal embankment was placed at Avenue 128 and worked towards Avenue 104 as well as between Avenue 88 and Road 192. Avenue 128 also had additions installed such as: siphons, formwork, water stops, bulkheads, and reinforcing bars. Avenue 112 had concrete poured after reinforcing bars were placed for the deck and headwall sections; it was also re-opened to the public. Road 192 siphon had structural backfill, aggregate roadway base and asphalt paving put in place. This road was also re-opened to the public. Road 208 siphon and Avenue 80 siphon both had reinforcing bars placed and concrete poured. Currently, Terra Bella Avenue, Avenue 80 and 128, and Road 208 siphons are closed as construction is in progress.

Trimming and concrete lining being installed north of Deer Creek on east bank headed north

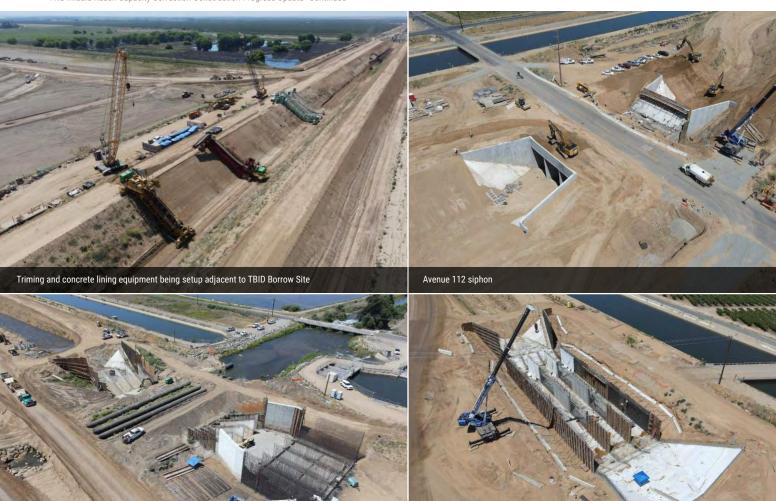






FRIANT EWATERLINE JULY 2023

"FKC Middle Reach Capacity Correction Construction Progress Update" Continued



IN THE NEWS

"News Line" News Bulletin, July 7, 2023.

CLICK TO READ MORE

Deer Creek check formwork in progress

"DWR Awards \$9.2 Million in Grants to Protect Communities from Floods, Support Fish Populations and Restore Streams," Department of Water Resources, July 7, 2023.

CLICK TO READ MORE

"Robert Rivas Sworn in as the 71st Speaker of the California State Assembly: Championing Agricultural Climate Resilience and Justice," CalCAN, June 30, 2023

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"Friant-Kern Canal flood damage repairs continue," The Porterville Recorder, July 7, 2023.

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Road 208 siphon wall placement in progress

"Hidden Issues: Wells, Groundwater & Flooding," Water Wrights, July 25, 2023.

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FRIANT WATER AUTHORITY

