

Tulare Irrigation District
 1350 W. San Joaquin Ave.
 Tulare, California 93274

LOOK INSIDE...

Are the Stars Aligned?
 SJR Settlement Update
 Fiscal Activities
 Canal Modernization Project
 Ongoing

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Founded in 1889, Tulare ID was one of the first irrigation districts in California. Its purpose is to serve the water supply needs of the greater Tulare area, a rich and agriculturally diverse region within the Southern San Joaquin Valley. The water provided comes locally from the Kaweah River and is also imported from the Federal Central Valley Project.

Important Dates to Remember

February	13 th —16 th World Ag Expo
March	Deadline for Filing USBR Landholder Forms
April	

The TID Tidings is published quarterly by the Tulare Irrigation District. Questions about the articles or items appearing in the TID Tidings can be answered by reaching the Tulare ID office at (559) 686-3425



Board of Directors

- President
David Bixler
- Vice President
Richard Borges
- Michael Thomas
- Dave Martin
- Scott Rogers
- General Manager
J. Paul Hendrix

The Board of Directors holds regular public meetings on the 2nd Tuesday of every month at 9:00 am at the District office in Tulare.

In This Issue:

Are the Stars Aligned?	Cover
SJR Settlement Update	2
Fiscal Activities	3
Canal Modernization Project Ongoing	3

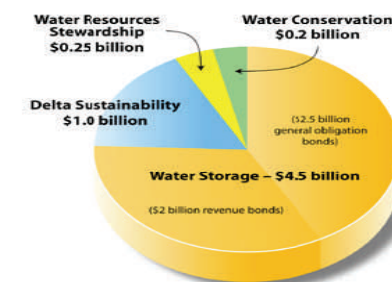


★ **ARE THE STARS ALIGNED?** ★

California was always a leader in ambitious water proposal in his public works projects and water "Strategic Growth Plan" in January. infrastructure was no exception. He cited \$4.5 billion in bond funding for two new reservoirs, one being Some of the nation's, if not the world's, largest water storage and delivery projects were built right here in the Golden State, moving water from the large river systems in the northern state to the San Joaquin Valley and farther south. Include too in this impressive listing the major projects put in place by Southern California to transport water from the Owens Valley and the Colorado River Delta ensures that the lower San Joaquin River water users and districts (who actually hold the water rights we rely on for imported water from Millerton Lake) will continue to rely on water from Lake Shasta delivered to them via the Delta, thus not having to call back our Friant water should the current fragile Delta system fail.

In many respects, the timing could not be better, or at least hasn't been better in many years. To wit:

- The public has awakened to flooding damages that can be wrought as a result of an aging levee system because of Hurricane Katrina. The Delta is a flooding disaster waiting to happen, not to mention a fresh water supply for two-thirds of the state's population and much of its agricultural lands.
- Urban growth is putting pressure on municipalities to come up with more water to support it, and new water (or water supplies for sale) are now harder to come by.



Governor's Strategic Growth Plan

(See STARS pg. 2)

A Reliable Water Supply ... Until the Owner Needs It Back – Read the history in "The Friant System and the San Joaquin River Exchange Contractors" in the next issue of TID Tidings

STARS (continued from pg. 1)

- The east side of the San Joaquin Valley has just recently committed to a massive fishery restoration project for the San Joaquin River, and new storage upstream of the areas to be restored could aid in sustaining that effort.
- The Governor, and with him the state's key water bureaucracy – the Dept. of Water Resources – is solidly behind major water infrastructure expansion.

- Perhaps entry into another dry cycle, in which the water supply woes of the state become more painfully evident.

It's now up to the will of the people, as expressed by their elected legislators in Sacramento, to catch the vision and support the big plans. From this point we will either become mired in differing views and ultimate dissention on what to do as in the past, or rise to the call to build for the next several generations. Only time will tell.

SJR SETTLEMENT UPDATE

LETTER TO SENATOR FEINSTEIN, ET AL

The Friant districts, wanting to show a hand of support to Senator Feinstein and Congressman Radanovich for their efforts to pass legislation to enact the San Joaquin River Settlement, recently wrote letters to them and the other co-sponsors of the Senate and House bills now being heard in Congress. Following is the text of TID's letter, signed by David Bixler, President of the Board:

"The District's Board of Directors wishes to express its support for your legislation to authorize the Department of Interior's participation in implementing the San Joaquin River Settlement. Your perseverance last year in obtaining consensus amongst the various parties and interests involved in this landmark agreement are very much appreciated. The District is grateful for your recent reintroduction of the legislation as S. 27 this year and will support ensuing efforts to secure its passage in Congress.

The District must now turn its attention to mitigating for the loss of water to the Friant Unit service area which is stipulated in the Settlement. The District is located in Tulare County, one of the top three agricultural producing counties in the state. Local surface water supplies have long been fully tapped, and the region is in a continuing state of groundwater overdraft due to pumping. Our primary means to sustain current beneficial uses of water and to reduce this overdraft, likely to soon accelerate with implementation of the Settlement, is to optimize ways to secure and deliver additional surface water sources from outside the region. As was envisioned with the development of the Friant Unit of the CVP decades ago, that source of additional water remains the San Joaquin River.

The legislation you have introduced will be of consid-

erable significance to our area and sets the stage for an ongoing focus on the San Joaquin River as a public resource for fishery restoration and for enhanced water supply management to preserve our productive economy. Your consideration to work towards future legislative measures to aid in making use of uncommitted San Joaquin River flows would also be gratefully appreciated. Thank you again for your continued interest and hard work on behalf of the agricultural interests and communities at large within this region of the San Joaquin Valley."

PROJECTS TO RECOUP WATER LOSSES

The Senator has expressed concern and she has asked how the Friant community is planning to make up for the water losses to be imposed with implementation of the Settlement. A concerted effort has been made to piece together a myriad of projects – some having been envisioned for a long time, some just recently identified – to present to her and others in Congress to demonstrate that Friant's water make-up plans as contemplated in the Water Management Goal aspects of the Settlement Agreement are gearing up. A report has been prepared that presents the projects, but it emphasizes that considerable state and federal support will be necessary to bring of the projects to fruition.

Major system-wide projects include Friant-Kern Canal expansions to divert more surplus water from the San Joaquin River and a recirculation project to reclaim water released down the San Joaquin River for fish restoration purposes. TID's individual projects made part of the package include expansions to our major intake canal system to divert more wet-year water, construction of additional groundwater recharge basins, and further improvements to our delivery system for spill minimization and reduction of inadvertent seepage losses in regulation basins.

FISCAL ACTIVITIES

County Property Tax Revenue

After two years of revenue reductions, the state is so far making good on a promise to restore TID's share of property tax revenues to levels prior to the passage of Prop 1A several years ago. This legislation was passed in the midst of severe revenue shortfalls in the state Treasury, pushing legislators to enact a rather unpopular "raid" of special district shares of their respective county property tax collections. Some districts were under significant hardship since much of their revenue sources were from such tax sources. Prior to Prop 1A, TID had been receiving about \$160,000 annually – only about 3% of an average year's budgeted revenue – and we anticipate at least this much to be returned to our coffers in this and future years.

Water Rights Fees

Another potential bright spot insofar as our budget balance is concerned is a recent state appeals court decision has told the State Water Resources Control Board (SWRCB) that it must reevaluate how it doles out fees to water districts and others holding water rights. Like the loss of property tax revenue, the necessity for the fees came out of the state's financial crisis several years ago when the

SWRCB was required by legislation to fund its regulatory activities by assessing permitted water rights holders as opposed to its former dependence on state general fund monies. Overnight, TID was hit with an annual billing from SWRCB of about \$65,000 to pay for its share of water contract supplies from the Friant Unit of the CVP. The assessment was only on *permitted* water rights, i.e., generally those filed after the year 1914.

In the SWRCB's required reevaluation, the court made note of the application of fixed contract water entitlements as the basis for many of the billings as opposed to actual deliveries. The court also made note of the numerous "pre-1914" water rights holders that escaped the billing process altogether. TID is one of those districts who were hit quite hard due to our sizable CVP contract; however, we are also a holder of significant pre-1914 water rights. So, in the end, we must await SWRCB's revised billing methodology to see if we are any better off or not with respect to the magnitude of these fees.

Dry-Year Budget Impacts

We are preparing to deal with what may be a rather dry year in 2007. Such years, when TID has reduced water sales

income, bring with them various budgetary challenges. We come into this year from two fairly wet years where water sales, power generation, and other revenues have substantially added to our reserve funds. The TID Board did not drop water sale rates to water users during these previous years, knowing that a healthy income stream was going to be needed to buy and recharge a lot of water that Mother Nature was providing.

Now we enter into a far different scenario, where revenues can drop by as much as half due to reduced water sales and other reasons. Likewise, we have limited access to reasonably-priced water unless we are prepared to shell out premium prices in water-short years like this one may turn out to be. So the challenge in years like this one is to ensure that the expected drop in revenue is balanced on the expenses side by identifying water sale rates and water purchases that are in line with revenues. The Board also recently established a "Water Sale Rate Stabilization" reserve fund, which monies are tapped into to maintain water sales rates that are competitive with the cost of pumping groundwater and hopefully reasonable in the eyes of our water users.

CANAL MODERNIZATION PROJECT ONGOING

It's been a shot in the arm to have access to \$300,000 of federal grant funds for much-needed improvements, but what's been frustrating has been finding the time to get all the construction work done! The last two wet years with extended water runs (essentially January through September each year) has left little time for surveying assembly and construction of the various canal structure features planned under the District's "Modernization Project." We have made some progress, and the anticipated shorter water run this year will provide more opportunities to get to the finish line. Here's what has been completed and what work still remains:

Completed Items

- ✓ Installation of SCADA sensor, computer housing, and radio equipment at monitoring sites
- ✓ Installation of new automatic gates for Main Canal
- ✓ Design and flow analyses for Abercrombie Basin
- ✓ Purchase of new level-control gates

Planned Items

- Pump station at Abercrombie Basin
- Computer programming, equipment installation at monitoring sites
- Long-crested weir construction at selected canal sites

Also, we've applied for additional grant funds to expand the efforts begun under this phase 1 of the project. One such grant is being pursued again from USBR under its annual Water Conservation Program funding program, and another is being pursued from the state under its Prop 50 Water Use Efficiency program. We are keeping a watchful eye on these and other grant funds, noting that with the passage of Prop 84 and potential passage of federal legislation to implement the San Joaquin River Settlement, more money earmarked for San Joaquin Valley water projects is in the wings.