San Joaquin River Settlement
Water Supply Impacts And
Water Management Goal

By
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Friant Water Authority
Friant Division Service Area and Contractors

Service Area

Merced County
Madera County
Fresno County
Tulare County
Kern County

1,000,000 Acres
15,000 Farmers
$4B+ Ag Economy
Ag Water Contractors

Alpaugh I.D.
Arvin-Edison W.S.D.
Atwell Island W.D.
Chowchilla W.D.
Delano-Earlimart I.D.
Exeter I.D.
Fresno I.D.
Garfield W.D.
Hills Valley I.D.
International W.D.
Porterville I.D.
Rag Gulch W.D.
Saucelito I.D.
Shafter-Wasco I.D.
Southern San Joaquin M.U.D.
Stone Corral I.D.
Tea Pot Dome W.D.
Terra Bella I.D.
Tulare I.D.
Ivanhoe I.D.
Kern-Tulare W.D.
Lewis Creek W.D.
Lindmore I.D.
Lindsay-Strathmore I.D.
Lower Tule River I.D.
Madera I.D.
Orange Cove I.D.
Pixley I.D.

M&I Contractors

City of Fresno
City of Orange Cove
City of Lindsay
Fresno Co. WWD #18
Madera County
How The Friant Division Works

The SJR Exchange Contract

Friant-Kern Canal
1,050,000 AF

Madera Canal
250,000 AF

San Joaquin River

Mendota Pool

Delta Mendota Canal
840,000 AF

Cross Valley Canal
128,300 AF

Federal Delta Project Supply
Friant Division

Class 2
Water Supply and
Groundwater Storage Relationship

Cumulative Groundwater Storage Change
Why settle?

From Friant Contractors' perspective:

1. Judge Karlton had ruled Friant operations violated State F&G Code 5937 for the “historic” salmon fishery downstream. The “remedy” phase of the trial was forthcoming.

2. Significant uncertainty as to what the water supply impacts would be, particularly if a Court imposed “Master” had broad authority to implement “adaptive management”, as advocated by the Plaintiffs in the litigation.

3. Significant uncertainty as to the costs of litigation, and the potential significant increase in water and possibly restoration funding costs to Friant Contractors and to all CVP contractors (as the CVP is financially integrated).
4. Settlement is a global settlement –

- It resolves all claims (ESA, NEPA, Rec Law, F&G 5937, etc.)
- It affirms that the long term renewal contracts entered into by the Friant Contractors in 2001 are valid and full force and effect and provides for minor amendments to refer to the Settlement Agreement.
Why Settle? - continued

5. Settlement and enabling legislation provide water recovery opportunities

- Recirculation downstream of confluence with the Merced River (and upstream if due to channel restrictions)
- Reduced price “wet year” (RWA) water
- Canal conveyance capacity improvements
- Reverse pumping on FKC for recirculation
- Authorization for federal funding assistance for Groundwater programs
- Relief from certain CVPIA water transfer provisions
6. Opportunity to convert Water Service Contracts to perpetual Repayment Contracts

- Greater contract certainty – no further renewals
- Accelerated repayment using a discount factor and future price relief for irrigation contracts – intent that no cost for conversion and up front funding for Settlement
- Relief from certain RRA land use and pricing provisions
Friant Dam Restoration Base Flows*
Riparian Flows (Current Release) and Full Restoration Flows
Interim Flows Begin 2009
Full Restoration Flows Required by January 1, 2014

* "Buffer Flows" of up to 10% of Base flows may be added in any year
SJR Implementation
October 1, 2009-September 30, 2010

Interim Flow releases: 260,000 a.f.
(less than full normal-wet year flows
due to channel restrictions)

Recirculated Water: 42,000 a.f.
(all via Mendota Pool)

RWA water ($10/a.f.-aids in GW recharge): 82,000 a.f.
Friant Division
Recirculation: Lower SJR, Delta, Exchanges, Cross Valley Canal, AEWSD

Main Features

<table>
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<tr>
<th>Capacity</th>
<th>Feature</th>
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<tbody>
<tr>
<td>500 CFS</td>
<td>Pipeline Intertie</td>
</tr>
<tr>
<td>500 CFS</td>
<td>Reverse Flow Pump Station</td>
</tr>
<tr>
<td>250 CFS</td>
<td>Reverse Flow Pump Station</td>
</tr>
<tr>
<td>125 CFS</td>
<td>Reverse Flow Pump Station</td>
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</tbody>
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| Project Cost | $12,000,000 |

Legend

- Proposed Conveyance Structures
- Proposed Pump Stations

Concept: A-1  Date: 1-20-07

Drawing Not To Scale
Inflow
1,800 TAF/yr

Millerton Lake
520 TAF

Friant Dam

450,000 AF Average Annual Flood Releases To SLR *

1,250,000 AF delivered FKC and MC

* Based on the past 30 years approximately 14 million AF of water supplies have been lost as flood flows
Status of Water Management Goal

• Initial Recirculation Plan to be developed
  – Interim recirculation due to channel restrictions are via Mendota Pool and Friant Contractor exchange/conveyance proposals
  – Delta Operations
  – Lower San Joaquin River evaluation
  – Conveyance Agreements (e.g., DWR)
  – Exchange/Transfer Agreements

• Recovered Water Account (RWA)
  – Accounting methodology
  – Availability determinations
WMG Status, cont.

- Friant-Kern Canal (FKC) and Madera Canal rehabilitation
  - Feasibility, environmental study, funding
  - Construction
- FKC reverse Pump-back
  - Operational evaluation
  - Feasibility/sizing
  - Funding
- Groundwater Programs
  - Settlement Act Part III Guidelines
  - Funding
## Potential Consequences of Failure to Meet Water Management Goal

| **Estimated Friant LT Irrigation water contractor impacts (no third parties)** | **SETTLEMENT**  
Without buffer flows and NO recovery of water supplies. **THIS IS BEST CASE IMPACT TO BE MITIGATED BY WATER MANAGEMENT GOAL.** |
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Reduction in Water Deliveries</td>
<td>145,000 acre-feet</td>
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<tr>
<td>Current Riparian Releases</td>
<td>117,000 acre-feet</td>
</tr>
<tr>
<td>Additional Releases for Fisheries</td>
<td>320,000 acre-feet</td>
</tr>
<tr>
<td>Remaining Flood Releases</td>
<td>140,000 acre-feet</td>
</tr>
<tr>
<td>Farm land out of production</td>
<td>51,300 acres</td>
</tr>
</tbody>
</table>
| Lost Crop Production | $159.3 million direct  
$264.9 million total |
| Income Impact | $36.6 million direct  
$80.7 million total |
| Employment Impact (jobs lost) | 1,360 direct  
3,070 total |
Questions?