



Natomas Mutual Water Company February 13, 2024

The Sacramento Valley Mosaic A truly unique and exceptional place



Cultivate a shared vision in the Sacramento Valley for a vibrant way of life

Governor's Priorities in Water

- Agreements to Support Healthy Rivers and Landscapes
- Sites Reservoir
- Delta Conveyance Project
- Groundwater Recharge





State Water Board Update to the Water Quality Control Plan

The State Water Board is required to periodically update the Bay-Delta Water Quality Control Plan (WQCP)

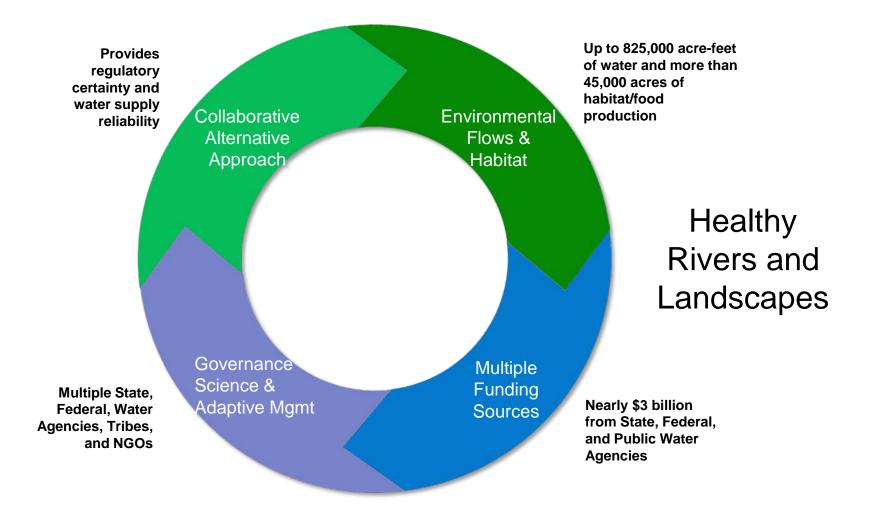
- Last update was 2006
- Required to balance beneficial uses

State Water Board staff have proposed 3 phases for updates

- Phase 1: San Joaquin River (complete Dec 2018)
- Phase 2: Sacramento River & Delta
- Phase 3: Assignment of responsibilities for Phases 1 & 2

State Water Board staff have proposed a plan with an 'unimpaired flow approach'

- Flow only; no habitat or adaptive management
- Estimated 2M acre-feet of water cost to cities and farms
- Adjudication of the entire basin; could take 10-20 years to resolve



A Modern Watershed Wide Approach

Summary – Bay-Delta Plan Update

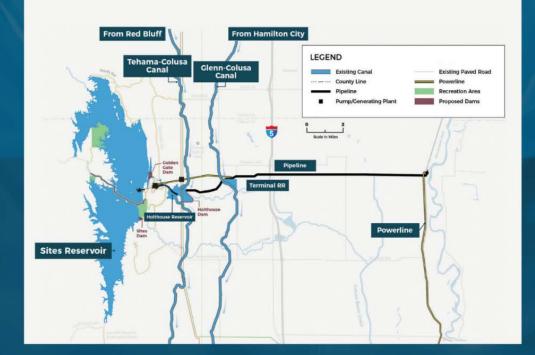
The Agreements to Support Healthy Rivers and Landscapes is the best alternative for meeting the policy, technical and legal objectives for the Delta Plan update.

- The Healthy Rivers and Landscapes alternative provides more benefits and fewer <u>impacts</u> than the SWRCB 55% Unimpaired Flow Approach.
- The Healthy Rivers and Landscape approach is the culmination of more than 5 years of <u>collaboration</u> among the California Natural Resources Agency, the California Environmental Protection Agency, public water agencies throughout California and other stakeholders and reflects input based on the best available science from numerous aquatic ecosystem and species experts, which resulted in a modern approach to protecting <u>all</u> beneficial uses of water in the Bay-Delta watershed.
- The unimpaired flow (UIF) alternatives at the core of the Draft Staff Report, if implemented, would have <u>significant negative impacts</u> throughout California.

21st Century Water Infrastructure

Sites | SITES RESERVOIR Increasing Dry Year Supplies

Sites Reservoir is unique in many ways, carefully balancing the needs of both people and the environment



Sustainable Groundwater Management

Accelerating Multi-Benefit Groundwater Recharge in the Sacramento Valley

August 2022

SUMMARY:

NCWA's member agencies have a strong interest in accelerating the pace and scale of multi-benefit groundwater recharge projects and want to partner more deeply with state agencies to achieve this goal.



State and Local Leaders Have Worked Together to Develop Groundwater Sustainability Plans

- Local agencies with water managers and stakeholders have shaped a vision in the Sacramento Valley for the sustainable management of groundwater.
- State resource officials have worked with local mangers and interested conversation groups on a shared vision to support the development of pragmatic and responsive plans that meet the letter and the intent of SGMA.
- The State, particularly the Department of Water Resources, provided essential financial support, technical assistance and thought partnership throughout the planning process.
- The State, particularly the SWRCB, has worked with districts interested in temporary diversion permits to experiment with using high flows for groundwater recharge.

Other State Issues

- Water Rights Legislation
- SGMA
- Water/Climate Bond



Water Rights: Modernizing California's Water Management System

Modernizing California's Water Management System Draft for Discussion: November 10, 2022

In response to unprecedented dry conditions statewide, in August 2022 Governor Newsom released <u>California's Water Supply Strategy</u> (Strategy), which calls for the modernization of our water management system, including both 21st century water storage and delivery infrastructure and a water rights system that will support this improved water management as California adapts to our new climate reality and increasing scarcity.

In the Sacramento River Basin, we fully support and will continue to work hard to modernize our water infrastructure and improve the water rights system to support 21st century water management. This ongoing effort will benefit from the expertise of our water resources managers and their consultants, partnering with state and federal agencies and conservation partners, to serve and steward water resources for multiple benefits, including cities and rural communities, farms, fish, wildlife, recreation and hydropower. Working together, we can modernize our water system and improve the administration of the water rights priority system as its legal and operational foundation with improved data, efficiency, and transparency.

We offer the following ideas on how we can work together to improve our flood protection and water management system to address increasing threats of flood, drought, and fire in the face of weather whiplash. The State Water Board has made tremendous progress over the past decade improving its water unavailability methodology to more effectively implement the water rights priority system. We laud this progress and focus on the ongoing efforts to help the State Water Board improve our current water rights system in California to be more effective during dry years. We also encourage the State Water Board and other agencies to implement the innovative water management ideas in the *Strategy* to help ensure water resources can be put to beneficial use to the fullest extent of which they are capable (i.e., serving water for multiple benefits), thus reflecting evolving public values and needs.

A modernized water management system should advance the following priorities to help the state adapt to a changing climate and to better manage through scarcity:

1) continue to implement the state's water rights priority system (which works in the Sacramento River Basin) based on a more precise and sound water

Federal Issues

- Biological Opinions
- Fish Screens
- Floodplain Reactivation



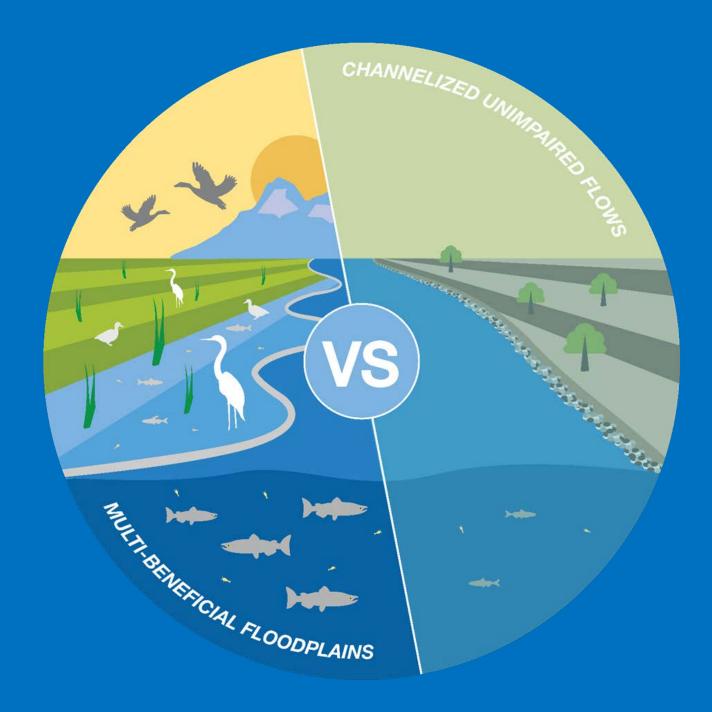
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Biological Opinions Long-Term Operations for the CVP and SWP



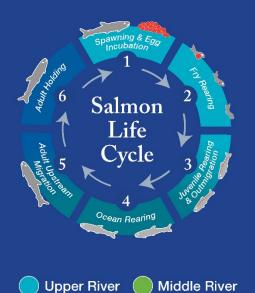
Looking to the Future.....





A Functional Sacramento Valley Depends on Healthy Rivers, Landscapes and Communities Healthy Forests Vital Rivers and Streams **Healthy Soils** Reactivating and Farms Floodplains Sustainable Groundwater Management

A Holistic Approach to Healthy Rivers and Landscapes



Lower River



CALIFORNIA SALMON STRATEGY FOR A HOTTER, DRIER FUTURE:

Restoring Aquatic Ecosystems in the Age of Climate Change

ADVANCING FLOODPLAIN REACTIVATION

in the Sacramento River Basin

Our respective organizations, the Floodplain Forward Coalition, are very excited to work with you and our various partners in our collective efforts to reactivate the floodplain in California's Sacramento River Basin, which will create multiple benefits for the region and the State of California. The diverse Floodplain Forward leaders are working on and have proposed the following portfolio of projects, which together will help reactivate our floodplains for the benefit of fish, wildlife, and people as part of a holistic approach for healthy rivers and landscapes.



Reconnecting California's Floodplains

Winter-flooding of Northern California Ricelands and Wildlife Response



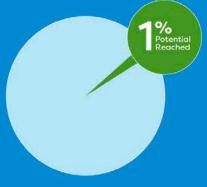
WHAT WAS. WHAT IS. WHAT COULD BE.

NORTHERN CALIFORNIA

Winter-flooding of Northern California Ricelands and Wildlife Response

NORTHERN CALIFORNIA

WHAT VAS.



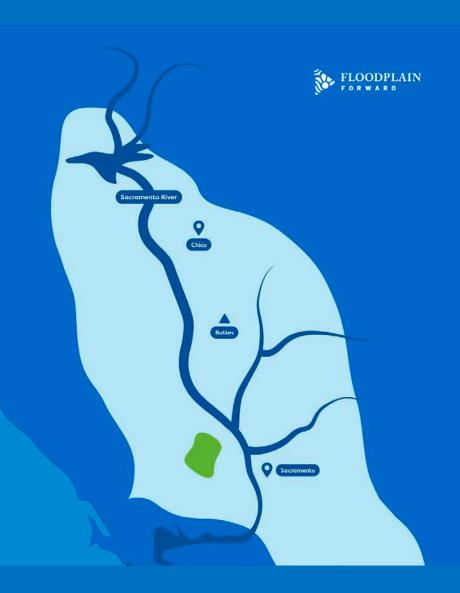
Early 1990s

Less than 1,000 acres of 500,000 acres

Wildlife Benefiting from Rice Footprint

Birds benefiting from 1,000 acres

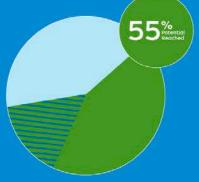
Fish benefiting from 0 acres



Winter-flooding of Northern California Ricelands and Wildlife Response

NORTHERN CALIFORNIA

WHAT S.



Today

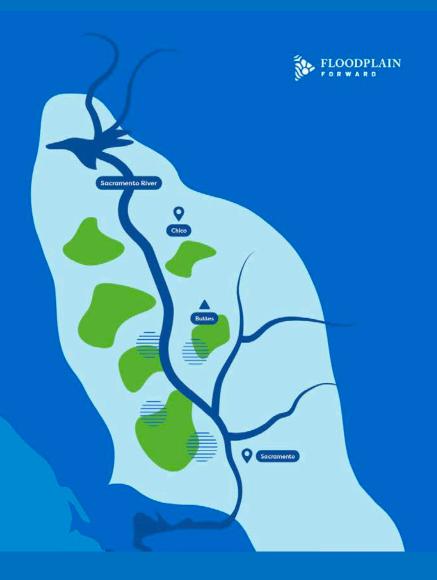
270,000 Flooded Acres

Today, ricelands are a biodiverse landscape providing habitat for 225+ wildlife species

Wildlife Benefiting from Rice Footprint

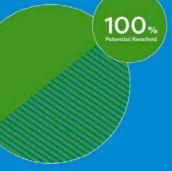
Birds benefiting from 270,000 acres

Fish benefiting from ~54,000 acres



Winter-flooding of Northern California Ricelands and Wildlife Response

WHAT COULD BE.



The Future

500,000 Flooded Acres

Wildlife Benefiting from Rice Footprint

- Birds benefiting from 500,000 acres
- Fish benefiting from 250,000 acres







MEMORANDUM OF UNDERSTANDING

Among

California Rice Commission California Trout Ducks Unlimited, Inc. Northern California Water Association

To Promote Functioning Ecosystems and Sustainable Water Supplies in California's Sacramento Valley

This Memorandum of Understanding (MOU) is entered into by: the California Rice Commission (CRC), California Trout (CT), Ducks Unlimited, Inc. (DU) and the Northern California Water Association (NCWA), hereinafter referred to collectively as the "Participating Parties" (Parties).

I. Purpose

The purpose of this MOU is to develop and expand a framework of cooperation among the Parties to preserve, sustain, and promote working agricultural landscapes in the Sacramento Valley that support ecosystem function and provide landscape-scale habitat benefits for fish, bird, and wildlife populations. Our collective goal is to bring our natural and working landscapes in this region to life through the careful interaction of water, sun, and land.

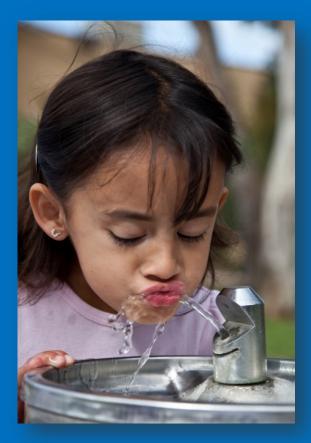
II. The Organizations

The *California Rice Commission (CRC)* exists to support the 2,500 growers and handlers of rice in California. CRC helps the industry in areas of conservation, legislation, public education and regulation. The CRC is fully funded by industry and operates through oversight by the State Department of Food & Agriculture.

California Trout (CT) works to ensure resilient wild fish thrive in healthy waters for a better California. CT builds partnerships in key geographies where wild fish influence California communities and work to implement science-based solutions that work for the diverse interests of fish, farms, commerce, and communities. It's our belief that abundant wild fish indicate healthy waters and that healthy waters benefit all Californians.

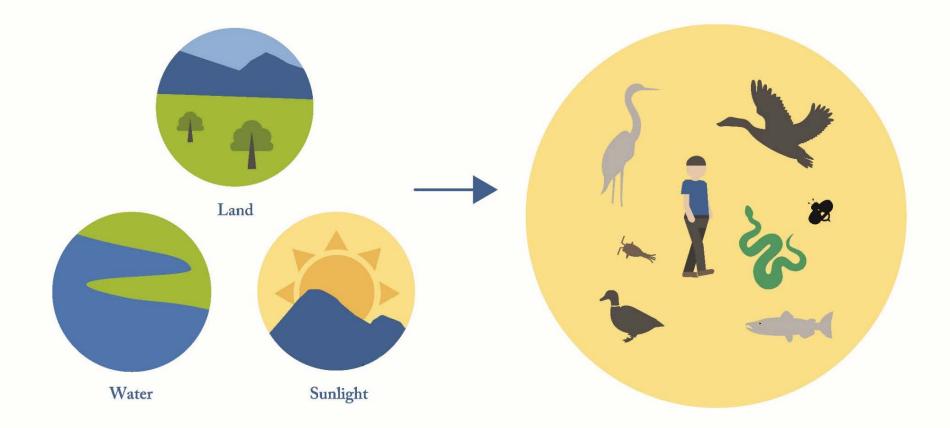
Ducks Unlimited, Inc. (DU) conserves, restores, and manages wetlands and associated habitats for North America's waterfowl. These habitats also benefit other wildlife and people. The vision of DU is wetlands sufficient to fill the skies with waterfowl today, tomorrow and forever. Ducks

North State Drinking Water Solutions Network



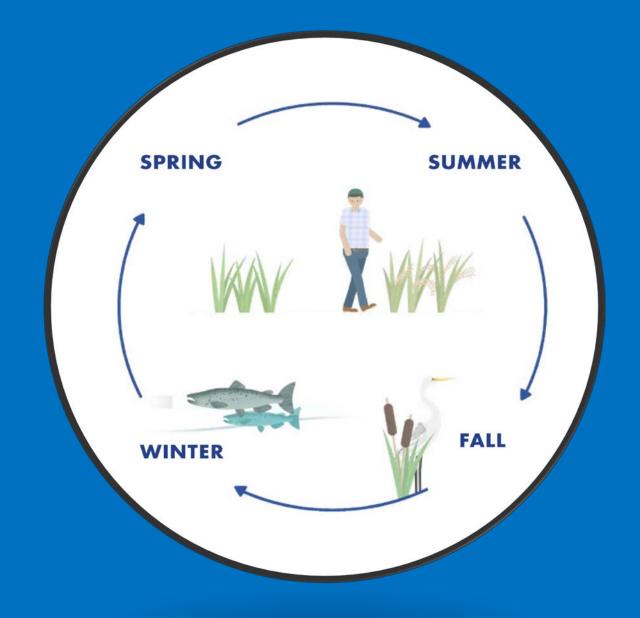
The Network connects the state's policy tools and financial resources with local communities and water managers' knowledge and expertise with the goal of ensuring access to safe drinking water for all communities.

Three Ingredients to a Bountiful Life Marrying Land, Sunlight and Water



The combination of water, land and sunlight has proven throughout time to be the equation for proper life support and healthy population numbers for all species. The Sacramento Valley landscape is a perfect testament to what is possible when all three work in harmony.

The Modern Water System



A Functional Sacramento Valley Depends on Healthy Rivers, Landscapes and Communities Healthy Forests Vital Rivers and Streams **Healthy Soils** Reactivating and Farms Floodplains Sustainable Groundwater Management

ON THE SILVER SCREEN



The New Way Forward

No Going Back

Central Valley Joint Venture





2024 Strategic Priorities

February 5, 2024

SRSC – Good for California

The Sacramento River Settlement Contracts are Good for California



The Sacramento River Settlement Contracts (SRSCs) are an irreplaceable part of California's water resource management system. The SRSCs enable the Central Valley Project to function and empower suppliers to pursue modern water management practices that foster conservation and collaboration to adapt to ever-changing conditions on the ground.

Here are three ways in which the SRSCs are good for California:



The SRSCs provide a solid foundation for effective water management in California.

The Central Valley Project is one of the world's largest water distribution and storage systems, delivering approximately 7 million acre-feet of water to northern and central California. Central Valley Project facilities convey Sacramento River water supplies into the San Joaquin Valley and onward to urban coastal areas.

Years of legal and technical analyses conducted by the U.S. Bureau of Reclamation and the State of California found that the Central Valley Project requires limiting and shifting the timing of water diversions by senior water rights holders along the Sacramento River. This was accomplished by entering into settlement contracts with those senior water rights holders.

By entering into settlement contracts, Reclamation and the State avoided a "monstrous lawsuit" that in 1951 the U.S. House Interior and Insular Affairs Committee feared would "embroil the Central Valley Project in litigation for decades."

The interest in avoiding adjudication remains just as strong today. The compromise inherent in the SRSCs has enabled Reclamation, the State of California, and senior water rights holders to avoid years of intense and complex litigation. Without the agreed upon diversion schedules and releases provided for under the SRSCs, Reclamation would be unable to operate the Central Valley Project for the benefit of California.

Several court decisions recognize the importance of the SRSCs in the legal regime enabling the continued operation of the Central Valley Project. For example, in *NRDC v. Kempthorne*, the U.S. District Court for the Eastern District of California held:

"As this Court has previously explained, non-renewal of the [SRSCs] could result in potentially catastrophic consequences for California's entire water delivery system. This is because the Settlement Contractors hold water rights that pre-existed the creation of the Central Valley Project."

SRSC – A Proven Record

Sacramento Valley Water Suppliers Have a Proven Record of Modern, Collaborative Water Management for Multiple Benefits



The Sacramento River Settlement Contracts (SRSCs) are an irreplaceable part of California's water resource management system. The SRSCs enable the Central Valley Project to function and empower suppliers to pursue modern water management practices that foster conservation and collaboration to adapt to ever-changing conditions on the ground. Water suppliers who hold SRSCs with the U.S. Bureau of Reclamation have a proven record of effective water stewardship and expertise, working with landowners and conservation partners to maximize benefits for fish, birds, and communities in the Sacramento Valley and beyond. Undermining the SRSCs would eliminate these important benefits.

Sacramento Valley Water Suppliers Support the Pacific Flyway and Provide Vital Habitats for Hundreds of Species of Wildlife

Nearly five million ducks, two million geese, and a half a million shorebirds rely on California's Sacramento River Basin, making the Sacramento Valley a critically important region for birds migrating along the Pacific Flyway – the environmental success story of our generation.

Sacramento Valley water suppliers use the latest science to support migrating waterfowl passing through the region by reactivating historic floodplains and providing water to federal wildlife refuges, state wildlife management areas, private wetlands, and ricelands.

In total, Sacramento Valley water suppliers support habitats for over 225 species of wildlife, including several listed species under the federal Endangered Species Act and the California Endangered Species Act.

Sacramento Valley Water Suppliers Support Salmon Recovery

Sacramento Valley water managers and conservation organizations joined state and federal agency partners in 2014 to form the Sacramento Valley Salmon Recovery Program, a collaborative partnership to promote the recovery of salmon in the region.



SRSC – A Solid Foundation

SRSCs: A Solid Foundation for Effective Water Management in California

1933

1938

1951



The Sacramento River Settlement Contracts (SRSCs) are an irreplaceable part of California's water resource management system. The SRSCs enable the Central Valley Project to function and empower suppliers to pursue modern water management practices that foster conservation and collaboration to adapt to ever-changing conditions on the ground. The history of how the SRSCs came into existence demonstrates their deep legal and technical underpinning and illustrates how the SRSCs provide the foundation for effective water management throughout California.

HISTORY OF SACRAMENTO RIVER SETTLEMENT CONTRACTS

Early 20th Century Levees and other infrastructure dedicated to flood control are installed along the Sacramento River to protect the development of downstream cities.

State leadership in Sacramento aspires to construct a project
capable of exporting surplus water from the Sacramento Valley
into the San Joaquin Valley in a way that does not harm existing
water users.

State engineers formulate a plan that is adopted by the Legislature called the Central Valley Project. However, the State is unable to finance the plan and urges the federal government to undertake construction and operation of the Project.

The U.S. Bureau of Reclamation begins construction on the Shasta Dam, a key component of the Central Valley Project.

1944 Shasta Dam is completed and begins operations.

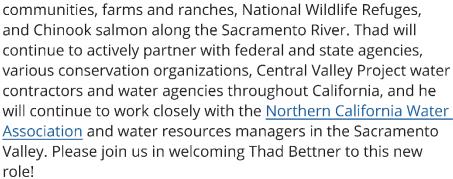
Disputes over water rights ensue, and the U.S. House Interior and Insular Affairs Committee finds that the sponsors of the Central Valley Project provided misleading information to Congress on the ability to operate the Project while honoring previously established water rights in the Sacramento Valley. The Committee expresses concerns that if Reclamation and the State do not settle the water rights disputes, a "monstrous lawsuit ... that would embroil the Central Valley Project in litigation for decades" would become inevitable.

Thad Bettner Joins the Sacramento River Settlement Contractors as its New Executive Director



The Board of Directors for the <u>Sacramento River Settlement Contractors</u> (SRSC) are pleased to announce that Thad Bettner has joined them as their new Executive Director.

In this new and exciting role, Thad will bring his knowledge and combination of leadership and technical skills to coordinate the SRSC and their various efforts to serve water for cities and rural





Sacramento River Settlement Contractors

The Sacramento River Settlement Contractors (SRSC) is a partnership of 145 agricultural and municipal senior water rights holders in the Sacramento Valley that manages water resources for cities, rural communities, farms, fish and wildlife and their habitats. The Sacramento River Settlement Contractors include irrigation and reclamation districts, mutual water companies, partnerships, corporations, and individuals representing approximately 450,000 acres of irrigated agriculture in the western Sacramento Valley. For



Please join us for the Northern California Water Association's Annual Meeting

March 8, 2024



#SourcingOurSustainableFuture:

The Sacramento Valley is sourcing our sustainable future through responsible management of the essential resource that millions of birds, hundreds of thousands of fish, thousands of farms and millions of people all rely on--water.