Jason Phillips  
Chief Executive Officer

Happy New Year! I hope that everyone had a nice Christmas and New Year celebration with family and friends.

I started 2020 in Denver with John Bezdek and the principal staff working on the CVPIA true-up analysis and Reclamation’s solicitor so that we could walk through our review of the draft guidelines. Our assessment is that over $500 million of past costs that the Bureau of Reclamation (BOR) is calling reimbursable should be considered non-reimbursable. BOR was amenable at looking more closely at our assessment and would like to follow-up with us soon. We also argued that any surplus condition for water users should result in a credit to be used as a future capital offset. BOR is open to this and has asked Friant to help identify an equitable way to do that.

**Biological Opinions/VAs:**

We continue to participate in meetings and finalize our approach to push the current Voluntary Agreements in light of the State still holding to their threat of lawsuit.

**Friant-Kern Capacity Correction:**

The Feasibility Study was sent to the Office of Management and Budget (OMB) two weeks ago. This is the study that determines how much federal funding under the WIIN Act the Administration is willing to support and how much of that funding will be non-reimbursable.

I’ve been working on an approach to allow investors to buy into the capacity correction project if we are unable to obtain funding for the full project.

This is an idea in concept, and details are still being developed. Stay tuned for more.

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**MESSAGE FROM THE CEO**

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**IN THE NEWS**

**SJV Water, “Kern’s final groundwater plan approved,” by Lois Henry.**

**CLICK TO READ MORE**

**Stanford University - The Bill Lane Center for the American West, “Small Farmers Wait for California’s Groundwater Hammer to Fall” by Madison Pobis**

**CLICK TO READ MORE**

**Courthouse News Service, “Newsom Wades Into Decades-Long Bid to Wring More Water for California,” by Nick Cahill**

**CLICK TO READ MORE**

**Ag Alert, “Trump outlines administration’s work on agriculture,” by Dave Kranz**

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**EASTSIDE HAPPENINGS**

The Bureau of Reclamation held a public meeting on CVPIA “true up” in Visalia on January 4th

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**EVENTS AROUND AND ABOUT THE VALLEY**

**FEB 20-21**

Family Farm Alliance Annual Conference
Reno, NV

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**FEB 27**

FWA Board of Directors Meeting
Tulare, CA

**CLICK FOR MORE INFO**

**MARCH 4**

Kern County Water Summit
Bakersfield, CA

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**MARCH 12**

ACWA Legislative Symposium
Sacramento, CA

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**Water Blueprint:**

The socio-economic report is being wrapped up and we’ve seen some very preliminary results that suggest the impacts of implementing SGMA will be as bad as we had expected. We are finalizing our public outreach plan to get the message out once this report is publicly available.

The Water Blueprint technical committee has been working through the steps to implement the Blueprint projects that will likely have support and investors. This should be the fun part of the Blueprint.

**Mid Pacific Region Annual Water Users Conference:**

FWA District board members, managers, and FWA staff attended the US Bureau of Reclamation Annual Water Users Conference from January 21-24. The Mid-Pacific Water Users’ Conference is a conference attended by Managers, Directors, O&M Personnel, Consultants, and Government Agency Representatives from districts served by the U.S. Bureau of Reclamation facilities in California, Nevada, and Oregon.

I was honored to have been asked to organize, invite panelists, and moderate a panel on SGMA titled “The Rubber Meets the Road: Sustainable Groundwater Management Act Implementation”. The panelists we chose to invite to participate in this discussion were:

- Karla Nemeth - Director of the California Department of Water Resources
- Joaquin Esquivel, Chairman of the State Water Resources Control Board
- Eric Quinley, General Manager of the Delano-Earlimart Irrigation District
- Brad Kirby, Tulelake Irrigation District
- Jarrett Martin, Exchange Contractors

As expected, this was one of the more informative sessions of the week and I was pleased that so many of the conference attendees took time to be there and ask so many great questions.

I was also asked to moderate a panel discussion titled “Making Western Water Great Again: Implementing President Trump’s Executive Water Memo”. Panelists were:

- Paul Simmons - Klamath Water Users Association
- Thad Bettner - Glenn-Colusa Irrigation District
- Federico Barajas - San Luis & Delta-Mendota Water Authority
- Kristin White – U.S. Bureau of Reclamation
- Paul Souza - U.S. Fish & Wildlife Service

This was also a very lively discussion that focused primarily on the recently released biological opinions (biops) on the coordinated operations of the CVP/SWP. There is much anticipation, understandably so, about the process, timing, politics, and eventual implementation of the biops, so as the status evolves, we will continue to keep you informed.