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WATER AUTHORITY

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Lindmore I.D.
Lindsay-Strathmore I.D.
Lower Tule River I.D.
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Stone Corral I.D.
Tea Pot Dome W.D.
Terra Bella I.D.
Tulare I.D.

February 15, 2011

The Honorable Kevin McCarthy
Washington, D.C. Office
326 Cannon House Office Building
Washington, DC 20515

Dear Congressman McCarthy:

RE: HR 1 - the Fiscal 2011 Continuing Resolution – Prohibition on funding for the San Joaquin River Restoration Settlement

I am writing on behalf of the Friant Water Authority (FWA) and its member agencies to request that you oppose the provision contained in H.R. 1, the Fiscal 2011 Continuing Resolution, that would prohibit the use of FY 11 appropriations to implement key elements of the San Joaquin River Restoration Settlement Act.

The purpose of the provision (Section 1475(b)) would appear to be to halt the implementation of the San Joaquin River Restoration Settlement for the remainder of FY 11. The FWA does not believe that there is any reason to stop implementation of the Settlement, and we are concerned that if Section 1475(b) were to become law, water supply recovery programs under the Settlement could be jeopardized.

The FWA represents 20 water agencies that are parties to the Settlement, an agreement that ended 18 years of litigation over San Joaquin River water supplies. The elected governing boards of each of these Friant agencies voted to support the Settlement in 2006 and to support the Settlement Act as it was approved by Congress in 2009 because they believed that the Settlement provided greater certainty and less risk than relying on a federal court to manage their water supplies.

The FWA continues to support the Settlement for these same reasons.

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Since passage of the Settlement Act in early 2009, Friant agencies have worked closely with the other Settling Parties, neighboring water agencies and the State of California to ensure that implementation of the Settlement provides benefits promised to Friant water users.
These include projects and programs to meet the Settlement's goal of avoiding or minimizing adverse water supply impacts to Friant contractors. Two of these projects, which would make improvements to the Friant-Kern and Madera canals, are scheduled for construction in FY 12. Stopping implementation of the Settlement in FY 11 could disrupt work on the projects and delay the realization of their benefits to water users.

As you know, a substantial portion of the Settlement's funding comes from Friant water users in the form of water fees and revenues from repayment of capital costs. In the past few months, most Friant water districts have elected to borrow funds in the private market to repay their capital obligation early, as provided by the Settlement. This has generated nearly $170 million immediately for the Settlement and will provide another $47 million over the next three years. In return, Friant districts were able to convert their 25-year water service contracts to permanent, more secure repayment contracts.

The San Joaquin River Settlement provision in H.R. 1 would undermine efforts to carry out the Settlement in a manner that protects Friant water supplies and the local economy. We hope that you will urge your colleagues in Congress not to support Section 1475(b).

Thank you.

Sincerely,

Ronald D. Jacobsma