



MERCED IRRIGATION DISTRICT

September 27, 2011

Department of Water Resources
901 P Street, Suite 313A
Sacramento, CA 95814

Attn: Fethi Benjemaa

Re: SB X 7-7 Agricultural Water Measurement Regulations and Implementation

Dear Mr. Benjemaa,

The Merced Irrigation District (MID or District) appreciates the extended opportunity to comment on the proposed Agricultural Water Measurement Regulations (AWMR). MID appreciates DWR staff's time and effort in dealing with the intricacy needed to meet the goals of chapter SB X 7-7 of the Water Conservation Act of 2009 (the Act) while producing rules that can be practically and feasibly implementable. While progress has been made, MID still has significant concerns relating to DWR's implementation of the Act.

The Merced Irrigation District has strived to lead the way on modernizing its conveyance, operations and billing systems. As early as 1993, MID started delivering water and billing its customers based on volumetric measurement, by the acre-foot. With that, MID centralized its water ordering system and created confirmation and control numbers for each order to ensure documentation of the beginning and end of each irrigation.

These new systems were coupled with a program to bring farm turnouts up to MID's acceptable measuring standards. The controlling factor for the District's water prices is the relative cost to extract groundwater by private deep wells. MID must stay competitive with this passive competitor to avoid an environmental crisis in eastern Merced County by straining and compromising aquifers through overdrafting.

MID symbolizes conjunctive use by owning and maintaining more than 170 groundwater supply wells, which are kept on standby to be used in years of surface water shortage. Given the ample runoff this year, MID relied solely on its surface water supply to meet demand in its service area. However, in 2008 for example, the District extracted approximately 100,000 AF of groundwater to supplement surface water shortages. To compensate in drought years, in-lieu recharge and intentional groundwater recharge has been a major goal for MID, and has yielded hundreds of thousands of acre-feet in groundwater recharge since the early 1990's.

From a consumptive use perspective, there is little water to be gained throughout MID's system by imposing unnecessary and costly turnout improvements. Lower water application will be realized as a result of either lower crop yield or lower groundwater recharge. To improve conveyance system efficiency, regulating basins and canal automation improvements have sprouted throughout MID's distribution and delivery system in conjunction with a SCADA system that became functional in 1997. Further, MID has offered and continues to offer various programs to promote on-farm system irrigation and energy efficiency and reduce dependency on groundwater.

As a result of all these efforts, MID was able to meet all of the Efficient Water Management Practices described in the AB3616 water management plan criteria. Having described the MID activities, it is important to point out that MID and areas within its Sphere of Influence are located inland with a favorable groundwater profile.

Given the MID's proactive measures and practices, we were pleased to find ourselves ahead of the curve when SB X 7-7 was passed. The lingering concern for MID is that it will be penalized for its proactive stance, on water supply and distribution, and water quality. The District has opted to maintain the vast majority of its conveyance system to the farmer's turnouts, rather than creating improvement districts. MID owns and maintains close to 4000 turnouts. While many turnouts are expected to meet the established requirements, some may not. Upgrading these turnouts will be very costly to overhaul, and will provide very little if any benefits. The average cost per turnout is estimated to be in excess of \$12,000.

Many of these gates that were not targeted for conversion by MID early on serviced small acreage farms or had intermittent usage. For a District with an average parcel size of 17 acres, justifying the monetary burden for converting turn-outs servicing 2, 3 and even 10 acre parcels is not feasible or economically acceptable. The monetary impact on the District could easily surpass many millions of dollars. Neither MID nor the small parcel owners, many who work day jobs to support their small acreage parcel farming, can afford to pay such a bill which would need to be paid immediately in order to meet the implementation deadlines.

The result of forced implementation through unnecessary turnout upgrades would likely include the abandonment of irrigation, or necessarily turning to groundwater for irrigation needs. The law as stated was not intended to impose such impacts.

In conclusion, MID has been on the forefront of implementing efficient water management practices. The implementation rules as stated are not feasible given the tight timelines and their inflexibility. MID respectfully requests DWR staff to consider the following implementation interpretations:

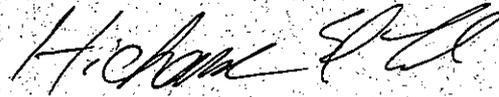
1. Treat sub-laterals similar in size and operation to improvement districts and community service ditches/pipelines where the flows are certifiable at the headgate. The District can likely justify measurement improvements at the head of sublaterals, but we clearly cannot justify the high costs for improvements at everyone of these turnouts, especially in the case of "dead-end systems" (those laterals that do not spill to a drain). If improvements are required at every turnout, the result could conceivably be that the District and other similar agencies will be

situated like an improvement district, and practice a rotation style delivery like an improvement district, then it should be treated like an improvement district.

2. Exempt turnouts servicing Garden-head acreage, usually less than 5 acres gross. Turnouts that serve these parcels are usually ratchet-type gates that are owned by individuals whose concern is not agricultural or farming, but rather landscaping or growing self consumed crops. These parcels tend to be located on small laterals which are hardly accessible. Should service be discontinued due to lack of funds needed to upgrade the turnouts, the District has no means of continually patrolling for illegal acquisition of water where accounting for water is totally lost.
3. Exempt or allow more lenient measures for measuring small acres (usually less than 10 acres gross) which irrigate infrequently. The District will be hard-pressed to justify necessary improvements on systems that have infrequently irrigated and may stay dry for years to come.

The District intends to continue its efforts to conserve water, and will work to coordinate its efforts with the AWMRs. However, the law is clear that the Act is not intended to reduce the overall water supply for agricultural lands or negatively impact water rights. Your encouraging decision to create a practical on-the-ground solution is appreciated and critically needed to demonstrate to MID, its constituents and other similar agencies that being proactive and ahead of the curve with regard to water management and conservation will be rewarded, rather than penalized.

Sincerely,



Hicham Eltal
Deputy General Manager, Water Resources