NCWA
Northern California Water Association

Comments by the Northern California Water Association to the State Water Resources Control Board Workshop on Water Quality Standards for the San Francisco Bay / Sacramento-San Joaquin Delta Estuary
July 13, 1994

Mr. Chairman, members of the Board, my name is Richard Golb, I am the executive director of the Northern California Water Association. We represent over 45 agricultural water districts, water companies and private landowners in the Sacramento Valley, encompassing over 600,000 acres of farmland. I will focus my remarks on the second question included in the workshop notice, but I do have some general comments regarding the first and third question as well.

1. **What fish and wildlife standards should the SWRCB evaluate as alternatives in this review?**

NCWA is supportive of water quality standards for the Bay-Delta. We do, however, encourage the Board to develop a comprehensive plan and enlist the assistance of other State agencies so that the Board's action seeks to address all of the factors which significantly impact the fish and wildlife resources of the estuary. It is a complex problem that can not be resolved solely by increased outflow. Additionally, we recommend when the Board moves to the next phase and begins work on an implementation plan, that it does so consistent with all relevant State laws, including the county and area of origin and watershed protection statutes.

2. **How should the economic and social effects of alternative standards be determined?**

The Board should undertake a rigorous and comprehensive analysis of the potential economic and social effects proposed water quality standards could have upon affected regions and communities. This analysis should include the potential long-term social and economic costs as well as indirect and secondary costs associated with water quality standards.

Senator Hotel Office Building
1121 L Street, Suite 904
Sacramento, California 95814
916/442-8333 FAX: 916/442-4035

The board should not, however, utilize the same approach or methodology EPA employed to prepare their Regulatory Impact Analysis. The economic analysis prepared by EPA to evaluate the costs associated with this reduction in water supply grossly underestimated economic effects and ignored potential social effects that would have resulted from the proposed regulations. Assumptions made by EPA regarding farmers' ability to shift crops; that low value crops will be the only crops affected by the proposed regulations; and that water transfers will reduce the economic impact oversimplifies the actual opportunities available to farmers to reduce the effects of reduced water supplies. EPA has, to their credit, recognized the problems with their analysis and has been working to revise their assumptions and models.

The social and economic analysis the Board undertakes should be comprehensive. It should analyze direct and indirect economic and social effects; both immediate and long-term. The analysis should also include a review of the current social and economic health of potentially affected regions. This information will be helpful as the Board attempts to understand the real effects of the proposed standards. It will also uncover important information the board should have prior to making any decisions regarding final standards or implementation plans.

As many may expect, a snapshot of the Sacramento Valley reveals a large percentage of the population living in rural areas. The predominant industry in this region is agriculture. Farming in this area directly provides as much as 30% of the jobs in certain counties. Since water is the most critical input for agricultural crops, water supply reductions, whether due to drought or regulatory action strikes rural communities particularly hard. And these impacts hit a region that is already struggling and less able to withstand these economic blows.

Comparatively, the Sacramento Valley, like many rural agricultural areas throughout California, is poor. Social and economic data from the California Department of Health Services indicates that when compared to the whole of California, the Sacramento Valley has a greater percentage of its population dependent upon welfare, a higher unemployment rate, (as high as 20% this year in Colusa county), a higher percentage of people living below the poverty level and a mean family income of over $10,000 less than the average county in California.

This year, the water supply outlook in the Sacramento Valley is not one of abundance, but overall scarcity. Approximately, 131 Sacramento River agricultural water districts and individuals are receiving a supply of only 75% due to the drought. These districts combined serve over 400,000 acres of productive farmland. In addition, there are roughly 20 agricultural water districts in the Tehama-Colusa Canal and Corning service areas that are receiving a 35% water supply. These districts serve nearly 140,000 acres.

One of the oft-repeated economic theories regarding agricultural water use is that if irrigation prices increase or water supplies decrease, farmers will respond by shifting to a so-called higher value crop - and as the theory goes avoid the economic hardship. Unfortunately, this is not what is happening. Consider the case of the Westside Water district in Williams, California. A federal CVP contractor within the Tehama Colusa Canal service area, this 16,000 acre district provides irrigation water for farmers who grow processing tomatoes, vineseeds, and a variety of other annual crops, including wheat.

Prior to the completion of the Tehama-Colusa Canal, farmers in this area grew wheat and safflower, relying upon mother nature and the occasional summer rainfall. In 1981, when irrigation water became readily available farmers began producing higher-value crops such as tomatoes and vineseeds. Yet, since 1990, farmers in this district and throughout this service area have seen their water supplies decrease due to drought, Endangered Species regulations and the Central Valley Project Improvement Act.

Today, wheat and safflower are again the predominant crops. Idle land also ranks high in acreage. As a result of uncertain and decreasing water supplies, farmers are growing more of the lesser value crops, wheat and safflower, and less of the higher value vineseeds and tomatoes. Why? Because the long-term and now uncertain water supply has forced them to minimize their risk by planting fewer acres of higher value crops which have a certain water supply. With water supplies uncertain, the majority of the acreage has been planted to the lesser value wheat and safflower - crops that require less water - but also require less labor and other inputs and generate less economic return to the farmers and surrounding communities.

As the social and economic information regarding the Sacramento Valley, and this case illustrates, a cursory analysis of the yet to be proposed water quality standards will

not suffice. An in-depth, comprehensive analysis is critical for the Board to fully understand the real effects water quality standards will have upon the State of California.

I would also encourage the Board to recognize the environmental benefits Northern California agriculture offers. For example, upstream diversions provide significant benefit to wildlife species that may be considered "wildlife resources of the Delta." The ricelands habitat program has been successful in providing habitat for migratory waterfowl and over 100 different wildlife species.

In addition to providing wildlife habitat, water use within the Sacramento Valley is highly efficient as water is used several times prior to its eventual flow back into creeks, channels and the Delta for reuse by downstream users. Water that does not flow back to the Delta is not lost from the system as it percolates to a usable groundwater basin or provides environmental benefits. The configuration of creeks, streams and irrigation systems in the Sacramento Valley allows for the multiple reuse of tailwater from upstream irrigation. Many farms in this region rely upon tailwater runoff for irrigation. The Colusa Basin Drain is one example. Encompassing over 50,000 acres this area relies almost exclusively upon tailwater runoff for irrigation of rice and other crops. In this case, water resources are reused producing economic benefit to farmers and local communities.

3. <u>Should the SWRCB request the CVP and SWP to implement portions of the draft standards prior to adoption of a water rights decision?</u>

NCWA represents water districts, water companies and individuals that hold long-standing water rights. As such, we are concerned with the possible precedent that could be established by asking the CVP and SWP to meet water quality standards prior to holding a water rights decision. We are advised that the State Board cannot implement standards which allocate flow without first complying with due process protections provided through a water rights proceeding.

It is also our understanding, however, that the recently signed framework agreement between the State and Federal agencies provides that an agreement will be sought under which the CVP and SWP will operate to meet proposed standards by 1995. We believe that it is proper, in this unique situation, to request that such an agreement be pursued.