

HORAN | LLOYD

ANTHONY T. KARACHALE
STEPHEN W. DYER
MARK A. BLUM
JAMES J. COOK
ELIZABETH C. GIANOLA
JEROME F. POLITZER
PAMELA H. SILKWOOD
VIRGINIA E. HOWARD
JACQUELINE M. PIERCE
BIANCA KARIM
JENNIFER M. PAVLET

Of Counsel

FRANCIS P. LLOYD
ROBERT ARNOLD INC.
DEBORAH S. HOWARD

LAURENCE P. HORAN
(1929-2012)

HORAN LLOYD
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
26385 Carmel Rancho Blvd., #200
Carmel, CA 93923

Tel: 831.373.4131
Fax: 831.373.8302
horanlegal.com

File No. 6776.07

December 6, 2017

Via Electronic Mail

Central Coast Regional Water Quality Control Board
Attn: Tammie Olson (Tammie.Olson@Waterboards.ca.gov)
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906

Re: **Comments to Item 18 (Executive Officer's Report) Regarding Salinas Basin
Agricultural Stewardship Group LLC
Regional Water Quality Control Board December 7 & 8, 2017 Meeting**

Honorable Board:

This letter is written on behalf of several agricultural landowners and growers in the Salinas Valley. This letter comments on the Executive Director's Report to the Board (Item 18) -- *Salinas Basin Agricultural Stewardship Group, LLC -- Status of Interim Replacement Water Agreement*.

As we understand it, a settlement agreement between the State Water Resources Control Board ("State Board") and various large landowners in the Salinas Valley, was negotiated behind closed doors without the benefit of public deliberation. Yet, the entire Salinas Valley agriculture is, in essence, bound by the settlement agreement. Subsequent to the execution of the settlement agreement, the State Board sent letters to most, if not all, landowners/growers, with 40 acres or more of agricultural land in the Salinas Valley, threatening an investigative order. The investigative order provides an infeasible timeline for compliance and would cost hundreds of thousands of dollars on consultant reports, with a threat of fines of \$1,000/day/violation for noncompliance. In the same letters, the State Board coerces the landowners/growers to join the LLC by making payment to the LLC in order to receive reprieve, albeit temporary, from the governmental agency's investigative order, regardless of culpability. Our first question is: **How can a settlement agreement between the State Board and large landowners behind closed doors without public deliberation bind the entire Salinas Valley in exchange for governmental "standstill" protection? Isn't it more appropriate to focus on the problem**

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areas rather than punish the entire valley?

The application to join the LLC includes the enclosed fee structure, which disproportionately favors large ag landowners/growers and causes significant hardship to small ag landowners/growers. The fee structure shows that a landowner with 1 acre of land would need to pay \$13,750/year to join the LLC, whereas a landowner with 5,000 or 10,000 acres of land would simply need to pay twice as much at \$26,500/year. To put it another way, a landowner with 40 acres of agricultural land would need to pay \$343.75/acre/year to join the LLC, whereas a landowner with 5,000 acres would need pay \$5.50/acre/year to join the LLC. Similarly, a grower operating 40 acres of agricultural land would need to pay \$250/acre/year to join the LLC, whereas a grower operating 5,000 acres would need to pay \$5.50/acre/year to join the LLC. **Why disproportionately favor large landowners/growers for the same “standstill” protection from the State Board? Why is there a different fee structure for growers than for landowners for the same parcel of land under production?**

There appears to be little oversight, if any, on how the funds collected from growers and landowners are being spent by the LLC. Yet, the State Board coerced growers and landowners to provide money to this LLC in exchange for “standstill” in enforcement. **How much and what percentage of the funds are spent on administration (i.e., attorneys, lobbyists and private organizations) and how much and what percentage of the funds are spent on actual water provided to communities? We would appreciate a detailed breakdown of the finances, including information on the specific individuals and private organizations benefitting from the State Board’s endorsement of the LLC.**

Landowners and operators who have actively worked with the Regional Board to supply bottle water and provide alternative water solutions to communities should be discharged from paying into the LLC fund while still receiving the “standstill” protection. **Has the State Board or Regional Board considered such amnesty in order to encourage landowners/growers to find real solutions rather than to simply pay up to this private entity?**

The letters from the State Board, which promise the standstill protection by joining the LLC, state that the protection will last for two years while a permanent solution for replacement water is developed. The settlement agreement appears to state the same and that the adoption or implementation of a legislative, regulatory, policy-based, or similar form of funding source would be sufficient solution for replacement water. The settlement agreement also states that should such funding source be made available, the LLC may be reimbursed for its monetary expenditures made in advance of a long term funding solution. **Will the agricultural owners/growers who have paid the LLC be reimbursed as well? If not, how will the money be used? How can the State Board ensure that the communities with the greatest need receive replacement water should the legislative funding source become available?**

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Finally, in order to be transparent and to allow for public deliberation, please provide us a list of landowners and growers who have joined the LLC and a list of landowners and growers who have been issued an investigative order by the State Board.

We would appreciate written responses to the above questions.

Respectfully submitted,



Pamela H. Silkwood

Cc: Senator Bill Monning
Felicia Marcus, Chair, State Water Resources Control Board
Eileen Sobeck, Executive Director, State Water Resources Control Board
John Robertson, Executive Director, Central Coast Regional Water Quality Control Board
Michael Thomas, Assistant Executive Director, Central Coast Regional Water Quality Control Board
Christian Carrigan, Office of Enforcement
Angela Schroeter, P.G.
Hector Hernandez
Salinas Valley Agricultural Stewardship Group, LLC
Clients

Salinas Basin Agricultural Stewardship Group, LLC

Entity Application and Election Form

The undersigned requests consideration of acceptance as a member in the Salinas Basin Agricultural Stewardship Group, LLC:

Company: _____
 Address: _____

 Phone Number: _____
 Contact: _____
 Email Address: _____

Designation and Assessment (check appropriate box)

	Assessment (Year)	Assessment (Month)	Assessment (Initial)
<input type="checkbox"/> Grower (1-250 Acres)	\$ 5,000.00	\$ 416.67	\$ 1,250.00
<input type="checkbox"/> Grower (251-500 Acres)	\$ 10,000.00	\$ 833.33	\$ 2,500.00
<input type="checkbox"/> Grower (501-1,000 Acres)	\$ 15,000.00	\$ 1,250.00	\$ 3,750.00
<input type="checkbox"/> Grower (1,001-3,000 Acres)	\$ 20,000.00	\$ 1,666.67	\$ 5,000.00
<input type="checkbox"/> Grower (3,001+ Acres)	\$ 27,500.00	\$ 2,291.67	\$ 6,875.00
<input type="checkbox"/> Landowner (1-1,000 Acres)	\$ 13,750.00	\$ 1,145.83	\$ 3,437.50
<input type="checkbox"/> Landowner (1,001+ Acres)	\$ 27,500.00	\$ 2,291.67	\$ 6,875.00
<input type="checkbox"/> Shipper Only	\$ 25,000.00	\$ 2,083.33	\$ 6,250.00
<input type="checkbox"/> Shipper (up to 7.5 MM cartons) + Identified AW #'s	\$ 60,000.00	\$ 5,000.00	\$ 15,000.00
<input type="checkbox"/> Shipper (7.5 MM-15 MM cartons) + Identified AW #'s	\$ 70,000.00	\$ 5,833.33	\$ 17,500.00
<input type="checkbox"/> Shipper (15 MM + cartons) + Identified AW #'s	\$ 80,000.00	\$ 6,666.67	\$ 20,000.00

Members of the Salinas Basin Agricultural Stewardship Group, LLC will be billed an initial assessment equal to 3 months, with invoices for the remaining 9 months billed monthly thereafter.

Signed: _____
 Print Name: _____
 Date: _____
 Approved: _____
 By: _____
 Date: _____