

Upper Feather River Watershed Group

Agricultural Stakeholders Advancing Water Stewardship

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September 24, 2010

ILRP Comments
Ms. Megan Smith
ICF International
913-737-3000
Emailed September 27, 2010 to ILRP Comments@icfi.com

RE: Comments on Long Term Irrigated Lands Regulatory Program
Programmatic Environmental Impact Report (PEIR), Recommended
Program Alternative (Program), and Technical Memorandum Concerning
the Economic Analysis of the Irrigated Lands Regulatory Program
(Economic Analysis)

The Upper Feather River Watershed Group represents 103 volunteer members and covers 43,000 irrigated acres in the mountain region of Plumas, Sierra and a portion of Lassen Counties. We thank the Regional Board staff for engaging agriculture stakeholders to participate in the development of the Long Term ILRP. Upper watershed subcoalitions have actively participated in local scoping meetings, stakeholder workgroups, low-threat focus groups and directly with Regional Board staff. We have reviewed the straw proposals and the above long term documents from the perspective of a small membership coalition, low intensity agriculture operations, and a rural mountain watershed region.

As one of several Northern California foothill and mountain counties, we appreciate the inclusion of Tier 1 opportunities in the Long Term program documents. Since the initial implementation of the ILRP program in our area, immerging factors quickly revealed the need for program modifications to appropriately address watershed diversities within the large Central Valley Region. These factors include: dominance of low intensity agriculture practices, regional geographic characteristics, distinct mountain watershed climates, local land use percentages, and the results of water quality data collected under the Irrigated Lands Regulatory Program.

As one of ten subcoalitions in Sacramento Valley Water Quality Coalition (SVWQC), we support comments submitted by SVWQC. The comments in this letter are areas of specific concern to Upper Feather River Watershed Group for the new Long Term Program.

1.2 Key Study Assumptions and Limitations (page 1-3) - "... the model assumes that growers will react to increased costs and other compliance requirements by adjusting crop production as needed to maximize net income and stay in business. Results from the Central Valley were extrapolated to affected areas in the foothills and upper watersheds."

UFRWG Comment: In Northern California upper elevation watersheds, with limited frost free growing seasons, and other geographic limitations, adjusting crop production is generally not a feasible option as with Central Valley tilled agriculture operations. Forage crops tolerant of cool climates such as permanent native meadows, rangelands, alfalfa hay & grain hay are the predominate crops and primarily support summer season livestock operations; with minimal to no viable alternative cropping options. Additionally, the watershed diversities mentioned above support the fact that broad assumptions based on Central Valley conditions do not accurately reflect conditions of the upper watershed regions. Errant broad assumptions used in Long Term ILRP planning will perpetuate the costly lapses of the current program.

2. Implementation Mechanism (Page 138) — "Recommendation: A series of area-, geographically based, or commodity-based implementation mechanisms with prioritized requirements. Implementation mechanisms could include waivers in low-priority areas and general WDRs in high-priority areas. Individual WDRs could be developed and implemented as an enforcement tool."

It is recommend there be inclusion of an option for <u>Individual Waivers</u> for Tier 1 areas as an incentive based implementation mechanism in addition to Coalition Waivers - rather than offering only <u>Individual WDRs</u> as an enforcement tool. The Recommended Program Alternative lacks an identified mechanism for incentive-based relief to individual operators for implementation of best practices, which meet or exceed water quality and management plan objectives. We request the RB to post a projected fee structure for each of the two compliance options (individual vs third-party group) to allow business minded operators the opportunity to accurately assess cost/benefits for compliance under each option. The current ILRP lacked realistic expense projections for the two options.

3. Lead Entity (Page 138) - "Recommendation: Third-party structure established in Alternative 1 and 2 (Coalition model) with additional structure and third-party transparency requirements."

Program uncertainty, coalition(s) management overhead for transitional compliance mandates, and program litigation has driven expansive invoicing and, in some cases, the accrual of contingency funds. A well defined long term program designed to provide regional modifications which are more fairly based on: actual agricultural water quality contribution, need for fiscally responsible management stability and provide financial relief, is overdue.

Groundwater (page 155) – As part of GQMP development, the third party would collect and evaluate available groundwater data, identify groundwater quality management areas (GMAs) of concern, identify constituents of concern in the GMAs, prioritize the GMAs and constituents of concern, . . . "

UFRWG believes it is inequitable for the 103 members of UFRWG to bear the entire burden for developing groundwater baseline reports for the CVRWQCB. The assumption that all

irrigated agriculture creates waste discharge to groundwater, and the expectation that agriculture coalitions must fund efforts for initial groundwater baseline reports is unreasonable. This ignores the fact that agricultural lands in the upper watershed regions account for only 10% of land use, while other potential contributors comprise 90% of land use. Additionally, PUR reports document that 85+/-% of chemical use, a primary constituent of concern to groundwater, is by non-agriculture entities in our counties.

Existing public funded groundwater management organizations are in a better position to collect and provide this information to the Regional Water Quality Control Board, and such a strategy would more fairly spread the economic burden of groundwater evaluation to all users and potential contributors within a region. The outcome of initial reports could then direct future groundwater planning and collaboration.

UFRWG recommends a program designed to avoid conducting costly duplicative studies for area groundwater as was completed for surface water.

Tier 1 and Optional Certified FWQMP Surface Water (Page 157) - "Monitoring would consist of tracking of management practices and watershed based assessment monitoring 1 year every 5 years (similar to the assessment monitoring required under the current ILRP). Monitoring and tracking results would be submitted in a report every 5 years to the Central Valley Water Board. Additional monitoring may be required where assessment monitoring identifies a water quality concern".

UFRWG urges reconsideration of further revisions to current costly monitoring schedules in regions where changes in agriculture practices are significantly limited by regional climate and geography. Assessment monitoring every 5 years should be conducted only if there is significant increase or change in the agricultural practices. In subwatersheds with little acreage or few members, monitoring even on a 5 year schedule is expensive and would provide little additional information.

9. Fees (page 160) –" The Central Valley Water Board will recommend that the fee structure reflect the differing levels of effort for the different tiers and oversight of the irrigated agricultural operations as individuals versus as part of a third-party group".

UFRWG has experienced that the current acreage fee structure results in higher per-member fees for crops lower per-acre returns. This holds true for both the state fee and various coalition level fees for the smaller coalition groups. Low intensity agriculture such as pasture and forage operations generally require larger acreages to be viable for beef cattle production. However, this type of agriculture land has relatively low value and return per acre compared to other commodities.

As the Economic Analysis reveals, the economic returns, water quality threat level, and program oversight requirements for 100 acres of native permanent pasture land at 5000 ft elevation is quite different from 100 acres of higher value commodities, with more intense and diverse cropping practices grown on the valley floors.

A revision in fee structure at all program levels to reflect the above factors will ensure that low threat pasture and meadowland operators in small coalitions, are not disproportionately burdened with program overhead expenses as a result of assessments based solely on irrigated acreage.

Figure 23. Long - Term ILRP Prioritization Scheme Example (Page 161) - "Examples of high-priority areas for surface water would be those under SQMPs (Surface water Quality Management Plans) in the current ILRP (where irrigated agricultural operations are a source of the water quality concern). Area priority may be re-classified by the Central Valley Water Board based on review of new information collected during program implementation (see feedback loop in Figure 22).

UFRWG joins others in noting that it appears that very few, if any, areas will be Tier 1 based on the mixed criteria statements in the DPEIR. A clearer definition of prioritization factors and "Area" characteristics is needed. Also, clearer definition and prioritization of management plans for the low priority water quality parameters of DO, pH and E.coli, which would otherwise eliminate qualification for Tier 1, even for identified low-threat geographical regions and commodities. We also request that the language be eliminated that automatically places an area in Tier 2 if you have a Surface Water Quality Management Plans for E. coli, DO and pH. Recent DO and pH studies in Upper Feather River Watershed by UCCE support earlier findings of similar studies conducted by California Department of Water Resources in the 1970's. Natural elements are identified as the major contributor of these low-priority parameters in our watershed. However, agriculture has been required to fund monitoring and management planning to address these elements.

Compliance and Management Practice Costs (Chapter 2)

The merging of Upper Feather with Upper Yuba makes it hard to compare data in the tables with actual known numbers for Upper Feather River Watershed Group. The numbers for enrolled acres and irrigated acres in Table 2-3 do not match recorded numbers in our records. The same applies to Table 2-4 for enrolled growers and total growers. However, it is not clear the source or extent that Upper Yuba data may figure into the equation.

Farm Income and Production Analysis (Chapter 3)

The aggregation of crops types for the FFGO category likely does not accurately evaluate the wide variance in crop values between rice lands and pasture lands.

Likewise, the use of the Central Valley Production Model (CVPM) which specifically excludes foothill and upper watershed regions (as seen in Figure 3-1) is grossly inadequate to formulate major assumptions for the extremely different upper watershed regions. This is the type of broad generalization that has driven the costly over-arching mandates of the current ILRP.

Regional Economic Impacts (Chapter 4)

UFRWG echoes the comments submitted by Plumas County Flood Control and Conservation District. Additionally we point out, that significant shifts in agriculture cropping, and banking on influx of potential supporting businesses is not economically sustainable for rural, sparsely populated regions.

Agriculture plays a critical role in defining the Upper Feather River region's rural way of life and protecting valuable resources such as open space, waterways, habitat for wild species, culture and history, and the many other benefits these lands provide to area residents and visitors. Many of these benefits are not commodity based.

The loss of Sierra agriculture lands as a result of costly over-regulation is not an acceptable outcome of the LT ILRP as suggested in the DPEIR.

It is the anticipation of UFRWG and other Northern California upper watershed regions that Tier 1 classifications in the Long Term ILRP will address this fact, and a number of other program inequities. These types of modifications will result in a more practical and equitable Long Term ILRP that reflects the low water quality threats of low intensity agriculture operations in Non-Central Valley Floor regions.

Upper Feather River Watershed Group takes seriously our responsibility to our membership, to take the lead in water quality compliance objectives with the highest cost-benefit to our membership and to our rural communities. The prioritization of water quality concerns and watershed regions in the Long Term ILRP will allow the CVRWQCB to more effectively direct their resources and will allow low impact regions to most beneficially re-direct financial resources as well.

Sincerely,

Carol Dobbas

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