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.
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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.
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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, vineseed, 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 vineseed. 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
vineseed 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 ricefields 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. **Should the SWRCB request the CVP and SWP to implement portions of the draft standards prior to adoption of a water rights decision?**

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.