Celeste Cantu Sate Water Resources Control Board Division of water Rights 1001 I Street, 14th Floor Sacramento, California 95814

Re: Comments regarding the ongoing mitigation process for fallowed farm ground in the Imperial Valley

Mrs. Cantu and Board

I am a 1st generation farmer here in the Imperial Valley. In addition to my own Farming Company, I provide custom tractor and harvesting work for export companies and maintain close to 2 million dollars worth of commercial fertilizer sales, which places me mostly in the category of a farm service provider.

I along with others who have similar farm service business are becoming more than concerned with the developments and actions emitting from the community service board called the "Local Entity." Their task is clearly defined in the Revised 4th Amended Agreement of the water transfer agreement between the Imperial Irrigation District (IID) and the San Diego County Water Authority (SDCWA) to, "receive socioeconomic impact payments from the Authority and the IID sufficient to pay the estimated and measured annual and cumulative socioeconomic impacts of land fallowing".

Before I explain where I think the Local Entity is failing so badly I believe some brief facts regarding the importance of production agriculture to the Imperial Valley is worthy of your attention.

- \* The agricultural production values for the Imperial Valley (approx. 535,000 farmable acres) for 2004 was \$1,187,254,000.00, and as a measure of how production agriculture impacts the County, for every thousand dollars of total gross value produced, \$ 397 dollars of personal income are generated to ag related jobs. That is \$471,340,000.00 or 40% of gross production value.
- \* The agreement between the IID and SDCWA represents the largest Ag to Urban water transfer in the history of the United States.
- \* 97% of the water delivered to the Valley is used for production agriculture. As a side note, I believe the Imperial Valley farmers do not receive the credit or recognition for their water efficiency from private, state, or federal agencies. Several years ago a study was done by an outside agency and it was concluded that because of the soil types and irrigation practices the Imperial Valley had an 83% overall water efficiency rating which ranked the 2nd highest in the nation.
- \* 100% of the water for the transfer for the first 11 years will be produced from fallowed farm ground.
- \* 100% of the water for the transfer in the years 11-16 will be produced from a combination of fallowed farm ground and on farm conservation practices.
- \* 100% of the water for the transfer after year 16 will be produced totally from on farm conservation.
- \* The Ag water rate payers have for years shouldered more than their fair share of the cost to provide for improvements to the municipal water infrastructure and maintenance.

It is evident that the Agriculture community will bear the burden of creating the 300,000 acre feet of conserved water needed to facilitate the transfer. It is clear that fallowing this many acres will first effect those providing services no longer needed on fallowed ground. The farm service industry will be the first and foremost to suffer financial loss. It is for this reason that mitigation efforts and outcomes must adequately address these needs. Based on these facts it is my view that the Local Entity is totally missing the mark of its assigned task.

- \* The panel consists of eleven (11) members with only one of them being from the Agriculture sector. Additionally, the Ag representative was not included on the sub-committee charged with developing the mitigation plan. It would seem appropriate that the Ag representative would be a mandatory assignment on this committee.
- \* Ironically the Local Entity has now chosen to call themselves the "Imperial Valley Socioeconomic Improvement Committee." The money for mitigating the effects of fallowing cannot follow the water. This is the largest Ag to Urban water transfer in the United States. Mitigation funds must go to those directly affected by the fallowing of farm lands, NOT toward the creation of community development.
- \* The Local Entity has developed and supports a grant program which seems to cater to those most familiar with accessing funds in this manner, and seems more suited to special interest groups and organizations. Additionally, the plan was designed with little or no input from Ag sector, which is clearly the group that is affected the most. It would seem logical that if those first impacted were mitigated for appropriately, other possible impacts down the chain would be minimized. Such as labor, commercial and retail businesses, and all other aspects of the Valley affected.
- \* I am disturbed by their lack of understanding regarding the 4th Amended agreement and who is accountable and liable for certain aspects of the mitigation process.
- \* I am disturbed that they believe it is appropriate to move forward with a plan when they don't even have an approved and accepted economic analysis.
- \* I am disturbed by the amount of self interest regarding their so called constituents, when they are really there to see that all sectors affected by the fallowing are mitigated for correctly, regardless of the amount, or by whom.
- \* I am disturbed by the consistency at which stated timelines and completion dates are missed, and it seems to be acceptable to them.
- \* I am disturbed by the degree of consultation they have sought with the 5 state agencies that they are directed to communicate with by the 4th Amended Agreement.

It is my opinion that the Local Entity is stumbling at best, and I am very concerned that those who are most impacted are going to completely ignored and left off to side.

In closing, I would like to say that I was in the audience when we were told by two Directors of the State Water Recourses Control Board, that Urban encroachment on Agricultural lands and water was to be expected here in California. I see that happening, I am aware that it happens up and down the state. The difference between our situation and the rest of the state is that when the fallowing programs are over with and all that ground goes back into production, we the farm service providers are still supposed to be here. That is why this Local Entity must get things right the first time, and the mitigation process must assist to those who are directly effected first. We hope the fallowing ends as soon as it possible can.

Thank you for your consideration of these observations.

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