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RE: Comments on Environmental Water Account Draft EIR/EIS

To whom it may concern:

On behalf of Family Water Alliance, I submit the following comments on the Draft Environmental Water Account (EWA) EIR/EIS.

The Preferred Alternative selected, the so-called Flexible Alternative, does no more than provide the EWA the power to expend millions of taxpayer dollars to purchase water to benefit the Export Service Area and apparently also the environment, at the expense of agricultural interests located north of the Delta. However, despite the great length of the document, it still lacks a clear description of how the money will be spent, what exactly the benefits are which will be reaped, and most importantly what will happen to the water once it is used for unspecified environmental uses. It is hard to imagine how such broad strokes can even be submitted for proper analysis for an EIR/EIS. Further, as outlined below, the current draft completely fails to take into account the significant economic burden such a program will place on rural agricultural communities located north of the Delta.

It is clear that the majority of water to be purchased, up to 600,000 acre feet in some years, will come from the area north of the Delta. Much of this water will likely come from payments to idle rice land. The primary industry in the Sacramento Valley is agriculture, the largest crop produced is rice. The idling of up to 200,000 acres of rice land would be the equivalent of closing down one of the large automotive plants in Detroit. In the Sacramento Valley, our farms are our factories. The closing down of a substantial portion of those factories will have tremendous negative economic effects on our communities.

Over the years many investments in infrastructure and business have been developed which solely cater to the rice industry, including dryers, mills, customized machinery, and a multitude of agri-businesses. In years where the EWA is to purchase large amounts of water via idling of rice land, huge economic effects will be felt in rural counties. First, unemployment will rise. The EIR/EIS claims that rice is a crop that does not require a large amount of labor. However, this analysis neglects to address that a large crop idling program will also result in economic losses to the businesses which support and depend on the rice industry, including mills, dryers, trucking, crop dusters, fertilizer companies, parts stores, and tractor companies, thereby affecting their labor force.

Second, as described above, the losses experienced by these businesses will greatly reduce the amount of money flowing through and being multiplied through the counties where rice is the primary crop. These losses are magnified when you consider the fact that the Draft EIR/EIS clearly states it needs to be flexible and that the amount of water purchased from year to year will be determined at that time, taking away any type of predictability and stability for the businesses which support the rice industry. In short, the lack of a clearly defined plan, which is subject to change, will greatly harm the economic prospects of many counties north of the Delta, primarily Glenn, Colusa, Yolo, Sutter, and Butte Counties.

The CALFED Record of Decision clearly lays out, as one of its solution principles, the promise to avoid any redirected negative impacts as a result of its programs. The Environmental Water Account is just one of many programs promoted by CALFED which clearly breaches this self-directed mandate. The agricultural counties located North of the Delta have been targeted for several CALFED and related programs which have had a direct negative economic affect on the region. Land acquisitions for environmental restoration by the state and federal government have taken large amounts of productive agricultural land off the tax rolls, and as such, the revenues multiplied through the region have been greatly reduced. Further, in lieu tax payments have historically fallen short of replacing this revenue source for the counties, placing great strain on the ability of the local governments to address the needs of its constituency. These programs have also increased pressure on farmers in regard to ESA and other governmental regulation, and has greatly increases crop losses due to predation, due to a complete absences of permit streamlining and landowner assurances to mitigate these impacts. The Environmental Water Program and the Phase 8 Program have also depleted significant water resources from the agricultural areas north of the Delta. Moreover, the demand for water from the export service area (MWD and Westlands) have resulted in further idling of productive farmland. Cumulatively, these programs and trends have, and will continue to, have an increased negative impact on the economic vitality of a region that has historically been qualified as economically disadvantaged. These cumulative redirected negative impacts are clear breach of the CALFED Record of Decision.

The CALFED Program claims that all of the competing interests are to get healthy together. To date, the environmental considerations have received an extremely

disproportionate share of the attention and funding, to the detriment of rural agricultural communities. The EWA, as presently proposed, is just another example of this unbalanced and insincere commitment on the part of CALFED. The EWA EIR/EIS analysis clearly has ignored existing studies and neglected to conduct its own research regarding the severe economic implications of this program, especially when viewed in light of the pressures presently experienced by this agricultural region. I direct you to the Glenn County Economic Study which illustrates the economic losses as a result of land acquisitions by the state and federal government. Further, a letter from the Glenn County Board of Supervisors that the California Dept. of Fish and Game is in arrears by over \$600,000 of in lieu tax payments. This is occurring at time when this County is terminating over 30 teachers due to budget constraints, illustrating the effect environmental programs have already had on this region. Glenn-Colusa Irrigation District is currently undertaking a study to assess the economic effect of a recent transfer of 40,000 acre-feet of water to MWD, a study that should be analyzed by the EWA before unilaterally declaring that the economic effect, a declaration that has been made with a complete absence of empirical data. Such studies must be conducted and analyzed prior to implementation of a program that has the potential to destroy the economic viability of an entire region of California; a region that is a major producer of food and fiber for the nation and the world.

The EWA also inadequately assesses the alternatives. To begin, the No Action Alternative is insufficiently addressed. The focus on protecting the export service area at the expense of the region located north of the Delta is not addressed. The environment and the needs of the export service area are clearly placed above agricultural interests. The Fixed Alternative is also dispensed as insufficient, despite the fact that it would provide the stability necessary for the agricultural sector to make informed decisions based on predictable demands.

The current preferred alternative, the Flexible Alternative gives the EWA complete discretion to manage precious water resources without regard to the economic impacts associated with its decisions. Further, the Flexible Alternative provides no outline of what criteria will govern its implementation, or how exactly it will be implemented. Also, the current proposal makes no attempt to partner with other programs, such as the Environmental Water Program or the Phase 8 Program, to seek efficiencies that would reduce the demand on the amount of water siphoned away from other interests. Most troubling is the absence of any discussion on what will happen to the EWA water once it is put to environmental use. This water can certainly be put to multiple uses to satiate other demands after being dedicated for a specific in stream purpose.

In conclusion, the EWA EIS/EIR makes broad and sweeping conclusions based on no empirical data. The proposal is so short on specifics on how it will be implemented that a true environmental or economic analysis is completely impossible to conduct. It fails to adequately specify the criteria for decision making on its operations or the benefits that unspecified actions will reap. Its economic analysis is completely illusory, ignoring the direct impacts of the proposal and the cumulative impacts associated with

the numerous other CALFED and related programs on rural agricultural communities. It fails to provide any outline which can be used to forecast demand, thereby crippling agricultural business managers in their ability to strategize accordingly. It insufficiently analyzes the alternative strategies. Further, it neglects significant environmental benefits provided by productive rice ground for purposes such as the Pacific Flyway. The document appears to be nothing more than a self serving attempt to divert large amounts of water from the north of the Delta agricultural water users, reallocating said resources to unspecified environmental purposes and the service export areas. As stated above, this program is a clear breach of the CALFED Record of Decision, it ignores the interests of an already economically disadvantaged area, redirecting even further negative impacts to rural agricultural communities.

Sincerely,



Jeffrey P. Sutton
Executive Director