



DEPARTMENT OF CONSERVATION
STATE OF CALIFORNIA

August 28, 2003

**DIVISION OF
LAND RESOURCE
PROTECTION**

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Ms. Dolores Brown
Department of Water Resources
3215 S Street
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Subject: SCH 2001072046 – Draft Environmental Impact
Statement/Report for the Environmental Water Account

Dear Ms. Brown:

The Department of Conservation (Department) Division of Land Resource Protection (Division) has reviewed the Draft of the Environmental Impact Statement/Report (EIS/R) prepared for the implementation of the Environmental Water Account (EWA) Program. The proposed project, the Environmental Water Account, is intended to address fish protection and recovery in the San Francisco Bay Delta and the Sacramento - San Joaquin Delta while improving water supply reliability for Central Valley Project (CVP) and State Water Project (SWP) customers.

As was indicated in our January, 2003 and April 8, 2003 letters, we understand that the EWA Program involves acquiring and managing water assets and using these assets to implement measures that protect fish species of concern. The U.S. Bureau of Reclamation and the California Department of Water Resources are responsible for obtaining water assets from willing sellers, and for storing, conveying and delivering these assets using the Central Valley Project and the State Water Project and other facilities. The area of analysis includes Glenn, Butte, Yuba, Sutter, Placer, Yolo and Colusa counties upstream from the Delta, and Fresno, Kings, Tulare and Kern counties south of the Delta. The document indicates that the EWA agencies would not purchase water via crop idling if more than 20 percent of recent harvested rice or cotton acreage in any county would be idled through EWA acquisitions, and less water would be acquired when the level of land idling is already larger than historically normal.

Three alternatives are analyzed in the document: No Action/No Project, the Flexible Purchase (the proposed project), and the Fixed Purchase. The Flexible and Fixed Purchase alternatives are based on the description of the EWA provided in the CALFED Record of Decision (ROD). Both

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alternatives would involve the acquisition of EWA assets via stored surface water, groundwater substitution, groundwater, and crop idling purchases, with EWA asset management through source shifting, groundwater banking, and borrowing of project water. The Flexible Purchase Alternative allows transfers up to 600,000 acre-feet.

This EIS/R involves integrating several program elements discussed in the CALFED EIS/R: the Ecosystem Restoration Program, the Water Management Strategy, the Multiple Species Conservation Strategy and the application of the biological opinions. Impacts discussed in the document include the timing of release of stored reservoir water on power production and fish, socioeconomic and terrestrial wildlife effects due to crop acquisition programs impacts to surface and groundwater supply, fish, agricultural employment and economics, air quality, recreation, and visual resources assessment.

The Department of Conservation has corresponded with the Department of Water Resources regarding issues for which we have responsibility. The document is well-prepared and reflects the effort put forth to resolve intra-agency concerns. We offer the following comments:

Chapter 11 discusses Regional and Agricultural Economics. Land idling actions would not occur every year, and effects would occur only in years when crop idling actually occurs. What is the sequencing: one out of five years per land owner/operator? What are the specific limitations to idling lands under the Program? It is important that idling would not take place more than two consecutive years, and that idling sequences be staged so that impacts are minimized. Please refer to CALFED ROD Mitigation Measures 7.1-16, 7.1-26 and 7.1-27.

"Socioeconomic Effects Threshold" – This section includes an analysis of changes in county socioeconomic conditions (value output, value added, decrease in wages and loss of jobs) that result from idling rice acreage. The cumulative acreage of 89,600 is used as a scenario for the region, and is broken down by county. This section also provides an analysis of changes in conditions in the counties where idling of cotton acreage may occur. 182,800 cotton acres in Fresno, Kern, Kings and Tulare Counties may be affected. There may be no formal determination of threshold of significance regarding socioeconomic impacts that pertain directly to idling of cropland, however, the document makes a determination that an EWA action would be substantially adverse if; a) land idling resulted in changes exceeding one (1) percent of county or regional baseline conditions in either total value of output, value added, wages and salaries or employment; b) land idling resulted in more than 20 percent of rice or cotton acreage in individual counties or the region being taken out of production; c) land idling resulted in substantial decreases of level of output, wages and salaries and employment to adversely effect local economies. Socioeconomic effects may appear to be relatively minor if analyzed on a regional level, however the same effects, if concentrated in a particular jurisdiction may be regarded as significant by the local constituency.

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The document states that crop idling would not occur every year, however, the document does not indicate clearly the crop idling sequence. Would the cropland be idled 4 out of 5 years?

The document identifies several measures that would minimize impacts to local socio-economics:

- "Purchase water for habitat purposes so that the same locality is not affected over the long term";
- "Limit the number of acres that can be fallowed (in order to produce transferable water) in a given area (district or county) or the amount of water that can be transferred from a given area"; and
- "Support assistance programs to aid local entities in developing and implementing groundwater management programs in transfer source areas".

Regardless of whether there is no legal threshold of significance to agricultural socioeconomic impacts, there may be significant effects to the existing agricultural infrastructure, and we ask that the measures to reduce these effects set forth in the CALFED EIS/R section 7.3.7 be included in the document as methods to alleviate potential effects. Briefly, they are as follows:

- Supporting limitations on the amount of acreage that can be fallowed in a given area. Has this been determined?
- Supporting training and educational opportunities, job referrals and placement services and job retraining for unemployed individuals to reenter the workforce.
- Supporting local governments and workers faced with increased demand for social services resulting from labor displacement.
- Including clauses in contracts that require use of the local workforce to the extent possible.
- Providing opportunities for alternative industries to develop, such as recreation.

Chapter 13 contains a discussion pertaining to the Division's Farmland Mapping and Monitoring Program. While we appreciate that EWA would consider implementing the mitigation measure identified in 13.2.7 stating that water would not be acquired from a parcel of land if idling the land would result in a lower classification of the land, we request that this measure be actually implemented and not merely considered. We also ask that the lowest quality agricultural land, such as, but limited to Class 4 land, or lands that support lower value crops be given priority in selecting acreages considered for fallowing as an additional measure. The Division's Farmland Mapping and Monitoring Program can assist in locating such lands. Molly Penberth is the Program Manager, and she can be contacted at (916) 324-0863.

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Williamson Act and Open Space Subvention Act

The document contains a discussion regarding the Williamson Act and the Open Space Subvention Act, administered by the Division. The Williamson Act was passed by California's Legislature in 1965 to preserve agricultural and open space lands by discouraging premature and unnecessary conversion to urban use. The Act authorizes local governments and property owners to voluntarily enter into contracts to commit land to specified uses for ten or more years. Once enforceably restricted, the land is valued at a reduced rate pursuant to valuation laws. Under the Open Space Subvention Act (Government Code (GC) sections 16140 – 7, and 16154), partial replacement of local property tax revenues foregone as a result of participation in the Williamson Act and other enforceable programs is provided by the State. The purpose of the Act is to provide replacement revenues to local government by reason of the reduction of the property tax on open-space lands assessed under Sections 423,423.3, 423.4 and 423.5 of the Revenue and Taxation Code. GC section 16142 (a)(1) allows five dollars for prime agricultural land, as defined in GC section 51201, and (2) allows one dollar for all land other than prime agricultural land, devoted to open-space uses of statewide significance, as defined in GC section 16143.

Potential Acquisition and Conversion from Agricultural Uses

Will the EWA involve any land acquisition? Chapter 13 includes a statement that there may be acquisition of agricultural lands by the ERP. Whenever this is to occur, and before any acquisition Williamson Act – contracted lands or prime agricultural land, statute requires that the Department be notified. Notification requirements are under Government Code section 51291 (b).

Chapter 13 Section 2.2 includes a brief discussion on Thresholds of Significance. The word "substantial" is used. The California Environmental Quality Act's Initial Study Checklist is quite clear in identifying thresholds of significance as it pertains to agricultural resources. The California Department of Conservation has one established threshold of significance, and one tool that has been adopted by the Department to determine the significance of impacts to agricultural resources:

1. Loss of more than 100 acres of Williamson Act-contracted lands is considered of local, regional and statewide significance (CEQA Guidelines section 15206 (b)(3).
2. The Department of Conservation's Land Evaluation Site Assessment Model is an optional tool under CEQA for lead agencies to determine threshold of significance (CEQA Guidelines Appendix I).

Growth Inducing Impacts

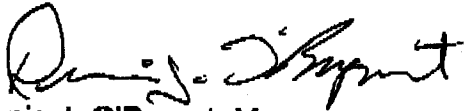
Is there potential for growth as a result implementation of the Program's elements crop idling, especially considering that the EWA program may sunset in 2007?

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According to the document, idled lands are to remain in agriculture. What potential exists for a conversion from agriculture to some other use as a result of landowner participation in the EWA Program? If there is any potential of conversion, impacts to agricultural resources will have to be assessed and mitigations must be implemented in accordance with the ROD.

Thank you for the opportunity to review this environmental document. Please contact Jeannie Blakeslee at (916) 323-4943 if you have any questions regarding these comments.

Sincerely,



Dennis J. O'Bryant, Manager
Williamson Act Program
Division of Land Resource Protection

cc: State Clearinghouse

Molly Penberth, Program Manager
Farmland Mapping and Monitoring Program