CRANE WALNUT ORCHARDS

March 10, 2017

State Water Resources Control Board

RE: Bert Crane Orchards' Written Comment on the Substitute Environmental Document (SED)

To whom it may concern,

My family has farmed in Merced County for 7 generations and we were some of the early pioneers that financed and built the original Crocker-Huffman infrastructure. My sons are in their early 20s and are working on the farm and plan to pass the ranch to their children.

The Crane family is diversified, with crops such as oats, walnuts, almonds, cotton, grapes, as well as cattle. Our ranches are located both within and outside the Merced Irrigation District and we have tens of millions of dollars invested in crops, equipment, infrastructure and the water supply that makes our business sustainable.

Summary of Impacts

The Draft Revised Substitute Environmental Document in Support of Potential Changes to The Water Quality Control Plan For The Bay-Delta: San Joaquin River Flows and Southern Delta Water Quality, released on September 15, 2016 is received with great concern and contains substantial flaws. The impacts of the SED as presently written will negatively affect farmers, municipalities and many others who rely on a safe, reliable, sustainable water supply. The main concerns addressed in this letter are:

- the reduction in surface water supply;
- groundwater depletion;
- the severe economic impacts to disadvantaged communities;
- economic hardship;
- narrow focus on flow when many other variables need to be considered; and
- the focus on the beneficial use of water for fish and wildlife as a priority over the livelihood of the people of California.

Each of these concerns are discussed below:

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Reduced Surface Water

The inherent result of implementation of the SED on my business, Merced County farmers, residents and water right holders in general is a significant reduction in water supply. A reduction in surface water supply for farmers increases reliance on groundwater which in the long term is unsustainable without removing prime farmland from production. Permanent crops like orchards and vineyards will not withstand continual deficit irrigation and maintain production at the same time. The result of this will be farmers fallowing portions of their land to transfer available water to sustain the remaining crops.

Ground planted to permanent crops is not easily or cost effectively converted to row crops or other seasonal crops. Additionally, row crops, which tend to have shorter growing seasons and less water usage, also offer significantly lower economic returns to the grower. Also, converting to row crops would require farmers purchase new equipment in order to farm new crops increasing the economic hardship for the farmers and their families.

Additional storage requirements in the reservoirs, that were paid for and built by the irrigation districts and farmers that they serve, to maintain temperatures reduces the storage capacity of the reservoirs. Storage capacity is critical to maintaining supply during drought seasons when inflows to the reservoir are less than the demand downstream. The farmers are being put at a huge disadvantage by decreasing the storage with no plan to augment or increase storage. Furthermore, the regulation of storage capacity in the dams and reservoirs is nothing short of a regulatory taking. The proposal to regulate storage and supply regulates the very thing that makes the farmland in the San Joaquin valley so valuable. Regulation based on flow should be looked at as a last resort as the water which the farmers have a right to is a scarce resource and the storage space provided for that was paid for and is owned by the people.

Groundwater Depletion and Quality

The SED offers no plan to augment water supply for farmers and existing water right holders other than through increased reliance on groundwater. Groundwater, without recharge through rainfall or deep percolation of irrigation water will continue to become more difficult to sustain as a safe reliable source.

As is already evident, the groundwater supply in California is an unsustainable source of irrigation and municipal water during drought conditions. Coupled with a significant decrease in surface water supplies during the peak irrigation months for farmers and the situation is exacerbated. The SED perpetuates a reliance on groundwater, directly

conflicts with the Sustainable Groundwater Management Act (SGMA), and severely impacts municipalities and homeowners who rely on a stable groundwater supply.

By reducing the surface water supply to farmers and other water right holders, the SED perpetuates the reliance on groundwater to make up the deficit from drought conditions and lack of surface water. An already tough situation for water users to manage now becomes more difficult by implementation of the SED which estimates that reliance on groundwater and groundwater overdraft would double.

The continued depletion of groundwater and reduction in surface water flows is in direct conflict with SGMA which requires that groundwater supplies be sustainable. Continual overdraft will not be sustainable thus causing shortages of water for farmers resulting in fallowed ground, loss of production, loss of jobs and loss of business that will not be able to survive the economic hardship of reduced water supplies.

For municipalities and homeowners who rely heavily or solely on wells for drinking water, dropping water tables results in disaster. Many communities have seen their drinking wells go dry from as well as the quality decreasing to the point that the water is no longer potable. Without the replenishment of groundwater through application of surface water, communities will continue to see their water quality and supply diminish. Not only with the surface water supply be cut to farmers, municipalities will also see the decrease resulting on further reliance on groundwater to meet the needs of the people.

The SED offers no plan to augment water supply other than through "significant and unavoidable negative impacts". The quality and sustainability of the groundwater supply depends heavily on the availability of a reliable surface water supply. The burden and ramifications of the SED are placed on the people who will be negatively affected the most.

Economic Hardship

The economic losses to the communities affected by the SED are severely underestimated. For the farming community, the loss of production alone will be significant however, the losses associated with fallowing ground or converting ground will be devastating. Many farmers who have permanent crops will no longer have the water supply to sustain them. For the farmer to continue to farm the ground permanent crops will need to be removed or left to die. Not only does the farmer incur the loss of production, but the investment of the land, planting the crop, the infrastructure, the land preparation etc. that is commonly financed over the life of an orchard will be lost with no means of recovery. Also, removing of a permanent crop to convert the land to allow for a seasonal crop to grow has a significant cost associated with it. A loss in water does not just come with an equivalent loss in production or economic benefit. A loss in water comes with sever impacts on the ability of a farm to survive.

Along with the loss of farmland that is able to produce comes the loss of jobs. With less available water farmers will be required to fallow land or grow less valuable crops, both of which equates to job loss for the people who work on the farms. Not only are the people who own or work on the farms impacted, many industries and ag related businesses also rely on a viable agriculture economy for their jobs. Industries like, packers, haulers, and shippers all rely on a agriculture industry that is able to produce the most abundant, safest food supply in the world.

With a decrease in farmable ground and increased costs for farmers, consumers can also expect to see an increase in the costs of fresh fruits and vegetables grown locally in grocery stores and markets if they will be able to find them at all. As the cost to produce food increase here in California, more and more fruits and vegetables will continue to be shipped in from foreign countries where food safety, worker safety, as well as worker pay is sub-par and the California food supply and consumer will suffer for it. Other economic losses include a decrease in property values without a reliable water supply, impact to the financial and lending institutions that have invested in agriculture.

Too Narrow of Focus on Flow

Overall the focus of the SED is too narrow and does not consider the negative consequences of the actions it proposes. The narrow focus of improving fish population through flow while a minimal if any attempt to evaluate predation, hatcheries, harvest, and habitat, is irresponsible and dangerous. As written, the responsibility and burden of proof is on the water right holders and not on the regulators to evaluate alternatives that could be much more cost effective and would have significantly less impact on the people who are hit the hardest by this proposal. The proposal is a no compromise proposal and only allows for consideration of other beneficial uses as long as the intended benefits to fish and wildlife beneficial uses are not reduced placing fish and wildlife at priority number one and disregarding the rights and livelihood of the people of California. The concerns of the people have not been sufficiently addressed and the undue burden and overbearing nature of this regulation will have a significant negative impact on the people without a full evaluation of the alternatives.

Respectfully,

Bert Crane Jr.

Cc: Mike Jensen, Merced Irrigation District