

COMMUNITY ADVISORY COMMISSION

April 25, 2002

Elston Grubaugh, Manager
Resources Planning & Management
Imperial Irrigation District
P.O. Box 937
Imperial, CA 92251

RECEIVED

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**IMPERIAL COUNTY
PLANNING, BUILDING**

RE: Comments from the IID Community Advisory Commission on the Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the proposed Water Transfer between the Imperial Irrigation District (IID) and the San Diego County Water Authority.

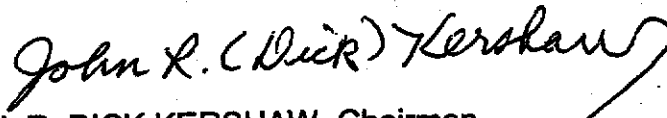
Dear Mr. Grubaugh,

Attached you will find the final report of the Commission, which contains the commission's comments regarding the EIR/EIS. Our comments include a majority report, plus attachments that include a minority report by Ike Adams as well as an evaluation of the EIR/EIS economic portions that was conducted by CIC Research, Inc.

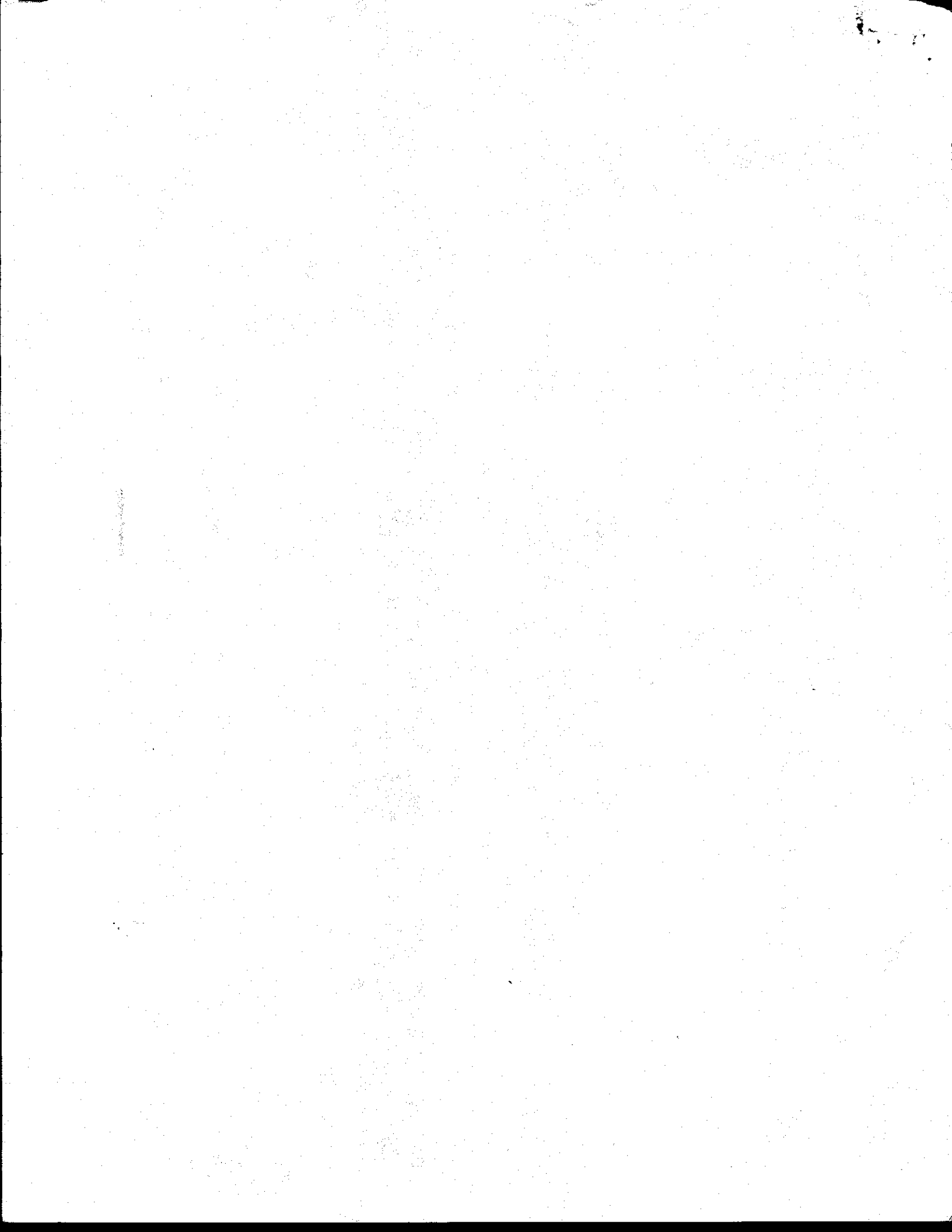
If you have any questions regarding our comments, please contact Commission facilitator Bill Gay at Reliance Communications, 760-337-1700.

On behalf of the Commission, we want to express to you our gratitude for your assistance and advice over the past three years.

Sincerely,


J. R. DICK KERSHAW, Chairman
Community Advisory Commission

Encl.



Imperial Irrigation District's Community Advisory Commission Majority Report

Background and Commission Qualifications

In August 1998, the Imperial Irrigation District (IID) Board of Directors appointed a Community Advisory Commission (Commission) to 1) Assess possible community benefits and impacts of the IID's Water Conservation Plan; 2) Recommend possible community impact mitigation measures and; 3) Memorialize its work for consideration in the Environmental Impact Report (EIR) process.

For the past three years, this group has spent several hundred hours analyzing the ramifications of the proposed water conservation transfer program between IID and San Diego County Water Authority (San Diego). During the course of its deliberations, the Commission has arguably become the most informed group of lay people regarding the water issues in our region. While not professional water experts or economists, they bring a diverse background of experience and perspectives from their respective professions that have contributed to the discussion of socio-economic impacts of the transfer.

The Commission has been made up of elected officials, county and city department heads, representatives from the business community, agriculture and leadership from Community-Based Organizations. Two of its current members are former IID directors who were deeply involved in negotiating the water transfer. Although there have been a number of membership changes over the course of the Commission's work, there has been a strong core that has been involved from the beginning. Attachment A is a complete list of current members.

At the beginning, the Commission held meetings on a twice per month basis. That evolved into a schedule of once per month until 2001 when meetings became less frequent as the group awaited the long-delayed EIR-EIS. One of the first steps taken by the Commission was development of a work plan (Attachment B.) The Commission also has acted as an information conduit and sponsored a number of public presentations on the transfer. Most meetings have generated media coverage, thereby assisting in the overall education process. Virtually all have elicited spirited discussions. Prior to the release of the EIR-EIS, the Commission also held a number of meetings with experts from a number of different fields, developing an expertise in the various socio-economic issues involved in the transfer. It also made a number of public outreach efforts to gather information (Attachment C). Attachment D is the information developed by the Commission that was included in the EIR-EIS scoping process.

Recently, the Commission has accelerated its work upon the completion and distribution of the EIR by CH2MHill, Inc. The Commission has examined the EIR, and, with the concurrence of the Board, contracted with a consultant to examine the underlying assumptions and the conclusions of the draft EIR/EIS study.

Most recently, on March 27, 2002, the Commission invited members of the public to hear representative agencies discuss the water transfer agreement. Approximately 100 members of the public attended. Serious questions were raised by the public and by environmental representatives regarding the adequacy of the environmental justice aspects

of the EIR. This issue is a matter of grave importance and must be given additional study to determine the consequences of the water transfer agreement upon the Imperial Valley. So too, is the failure to recognize agriculture tail water as a beneficial use for sustaining a significant economic and recreational area as well as an environmental sanctuary, the Salton Sea. The Salton Sea cannot be dismissed under any circumstances.

Conclusions and Recommendations

In accomplishing its duties, as stipulated by the IID Board Resolution 17-98, it is not the responsibility of the Commission to recommend a specific water conservation plan. That is the duty of the elected board of directors. It is our function to evaluate impact, benefits and mitigation measures from the various plans that have been put forward. Those options will be discussed elsewhere in this report.

However, there have been many questions raised in the community about whether any water should be transferred at all or whether this transfer should be renegotiated.

Imperial Valley has been a prudent steward of its water resources for more than a century. Its irrigation system has converted an arid desert region into a \$1 billion per year agriculture industry that helps feed the world. Imperial Valley agriculture also provides a diverse wildlife habitat that is one of the most prolific in the United States. Realities of population expansion in the coastal plain and limited water resources, however, dictate the need for transfers, as long as they can be accomplished in a way that serves both the needs of Imperial Valley citizens and those regions receiving the water.

Therefore, the Commission recommends that the IID Board conditionally approve the water transfer agreement. The transfer agreement must meet the following conditions. Should the following conditions not be achieved to the satisfaction of the IID Board, the transfer should be renegotiated.

(1) Environmental Justice issues, which have not been adequately addressed in the draft EIR/EIS, must be thoroughly evaluated. The environmental justice issues raised by the public, the Commission and the environmental groups must be addressed.

(2) A complete scientific assessment must be conducted into the health and air quality issues that have been raised due to potential exposure of some of the Salton Sea lakebed. Funding for this study and, if necessary, mitigation, must not be the responsibility of the IID or the people of the Imperial Valley, including farmers.

(3) The IID Board should develop a specific transfer plan that incorporates an Economic Development Plan that does not just "make the Imperial Valley whole" but actually improves the quality of life in this region. The economic development plan should have elements that mitigate any impacts to employment caused by the transfer as well as long range objectives to leverage the transfer into an expansion of the Valley's economic base. The Farm Bureau Conservation Plan, as well as some alternative following proposals discussed below, warrant additional analysis by appropriate professionals to enable the District to select the most viable conservation program. All of these should factor in economic impacts if inflows are maintained for the Salton Sea, to provide a true picture of the socio-economic realities.

(4) It is unreasonable for Imperial Valley residents to risk their businesses, livelihoods or farms to transfer water to other users. Therefore, it is essential that we have indemnity against surprises resulting from unforeseen claims to mitigate or pay for impacts to people, property or the environment resulting from good-faith fulfillment of our contractual obligations. The IID and the people of the Imperial Valley, including farmers, must be "held harmless" from any future costs of litigation or judgments stemming from environmental problems caused by the transfer.

(5) Other parties (e.g., San Diego, Coachella Valley Water District (CVWD), federal, and/or state government) should bear any costs to mitigate any impacts due to the transfer, including property in communities along the Salton Sea that are impacted due to the transfer.

(6) It is also necessary that the cost of any measures farmers are required to take to mitigate impacts of the transfer be included in the IID's off-ramp limits.

(7) Since the contract is subject to abrupt, premature termination, it is essential that conservation measures be financed on a pay-as-you-go basis.

(8) The agreement must ensure that the people of Imperial Valley be made whole in the event there is an early termination of the contract. It should commit in advance sufficient funds to cover all un-recovered costs incurred by the IID, participating farmers and any other entity involved in the transfer.

(9) Landowners' rights to receive water should never be diminished without fair compensation. Fair compensation should also be made to any property owner whose land value is diminished due to the transfer.

(10) San Diego must drop efforts to develop a new aqueduct from the Colorado River to Tijuana/San Diego.

(11) The transfer should benefit all the landowners and farmers and they should be treated fairly and equitably. Incentives from conservation taking place on the farm should benefit the farm that conserves the transferred water.

(12) All parties agree to seek legislation to provide favored tax status for the sale of any farmland to IID or its agent to meet water transfer requirements. Landowners shall be afforded reasonable tax treatment such as transfer of cost basis or condemnation status under both federal or state taxes.

Environmental Justice

Environmental Justice plays a key role in any of the deliberations regarding the transfer between IID and San Diego.

Environmental Justice, which is enforced by the Environmental Protection Agency, became a factor in any federal project through Executive Order 12898 signed in 1994 by President Clinton. It did not go away with the change in administration. The Bush Administration has reinforced its provisions.

EPA "has a firm commitment to the issue of environmental justice and integration into all programs, policies and activities, consistent with existing environmental laws and their implementing regulations," EPA Administrator Christine Todd Whitman wrote in a memo August 9, 2001 to all EPA offices and administrators.

She added, "In the National Environmental Policy Act of 1969 (NEPA), Congress could not have been any clearer when it stated that it shall be the continuing responsibility of the federal government to ensure for all Americans safe, healthful, productive and aesthetically and culturally pleasing surroundings.

In the words of the EPA, "The goal of environmental justice is to ensure that all people, regardless of race, national origin or income, are protected from disproportionate impacts of environmental hazards. To be classified as an environmental justice community, residents must be a minority and/or low income group; excluded from the environmental policy setting and/or decision-making process; subject to a disproportionate impact from one or more environmental hazards; and experience a disparate implementation of environmental regulations, requirements, practices and activities in their communities.

"Environmental justice is about real people facing real problems and designing practical solutions to address challenging environmental issues..."

The Draft EIR-EIS erroneously dismissed Environmental Justice as a factor in the transfer.

This error was explained by CIC Research, Inc. (CIC): "In general the Environmental Justice analysis performed by the... (the EIR/EIS) ...is superficial and inappropriately applied (Attachment F). Specifically, the community-level impact analysis was inappropriate for this project. The Consultant on the draft EIR/EIS for the Proposed IID Water Conservation and Transfer Project should redo the Environmental Justice analysis based on the potential region-wide disproportional impacts to minority and low-income households resulting from the water transfer program. Furthermore, the Consultant should then provide recommendations for informational outreach to the impacted population and possible mitigation measures."

The complete CIC analysis of Environmental Justice is enclosed as Attachment F.

It should be noted that while Environmental Justice impacts are dismissed in the draft EIR/EIS for the water transfer, the Bureau of Reclamation and the Salton Sea Authority considered it significant in the draft EIR/EIS for the Salton Sea Restoration Project as they pertain to a "no action alternative." This report was released in January 2000.

"With the No Action Alternative, significant socio-economic impacts are expected as a result of declining recreational and other economic uses of the Sea. Job losses would likely be in the service industry. Therefore, there may be a disproportionate adverse impact to low-income populations." (Para 4.19.4).

It added that this would occur in current as well as reduced inflow conditions.

The draft EIR/EIS has stated that the reduced inflows to the Sea, due to the transfer, would simply exacerbate an already existing situation. If Environmental Justice issues existed under reduced inflow scenarios discussed in the Salton Sea Restoration EIR/EIS draft, shouldn't they exist when the situation is exacerbated due to the transfer?

The potential of health issues due to air quality deterioration from either a partially-exposed lake bed at the Salton Sea or fallowing in the agricultural areas of the Valley, could create additional Environmental Justice issues.

Stuart Hurlbert, Professor of Biology and Director of the Center for Inland Waters at San Diego State University, commented at the San Diego public hearing into the transfer that "It is not acceptable to simply pass the costs of water supply development on to other regions simply because they have less political power."

In order to adequately explore the Environmental justice issues, the impacts to Imperial Valley as a whole should be compared to the impacts and benefits to the regions receiving the water.

Environmental Justice issues, which have not been adequately addressed in the draft EIR/EIS, must be thoroughly evaluated.

Proposed Alternatives: To Fallow or Not To Fallow?

Regardless of the method(s) by which water is ultimately conserved, the decision comes down to an evaluation of the impacts and mitigation for on-farm and system conservation or fallowing—or a combination of those alternatives.

There are a number of unknown factors in all of the conservation methods currently under discussion. For example, San Diego has promoted information stating Imperial Valley will eventually receive an annual revenue stream of \$50 million. Meanwhile, others have questioned the adequacy of that amount when conservation costs are factored in to the equation.

The Commission has chosen to evaluate three methods of conservation:

- The framework of a system/on-farm plan developed by the IID;
- A temporary fallowing plan developed by the Imperial County Farm Bureau that would ultimately lead to on-farm conservation; and,
- A fallowing plan put forward that would allow the IID or another agency to purchase the land to be fallowed and use it for economic development purposes.

The IID System/On-Farm Plan

CONCEPT

This alternative relies upon voluntary participation by landowners for on-farm irrigation system improvements in the water service area to deliver the necessary water to San Diego, CVWD and Metropolitan Water District (MWD). While details of this plan have not been fully refined, the IID states its basic principles are that it is voluntary, incentive-driven, fair, simple, flexible, prohibits fallowing, provides for improved service, is verifiable and is ownership-based.

- In the first eight years, water would be conserved by system projects and on-farm conservation. These would include lateral interceptors, system automation, a new reservoir in the East Mesa and seepage recovery. This would directly conserve 100,000 acre-feet per year. While not necessarily acknowledged by the IID, the Farm Bureau Plan has estimated that an additional 70,000 acre feet could be conserved annually on-farm due to system improvements. This would be water conserved through little or no investment by the landowners.
- The conservation agreements would be between the IID and landowners. Landowners would make whatever arrangements are necessary with their tenants for conservation. Factoring in the system improvements stated above, any amount over 100,000 acre-feet that is to be transferred must be conserved through the IID-landowner agreements.
- The Landowner would select the measures used to conserve the water, yet fallowing is specifically prohibited. To date, the IID has not defined fallowing.
- Participating landowners would reduce their measured deliveries below a baseline amount. There would be no relaxation or intensification of current IID rules and regulations regarding tail water, the 15-point conservation program, or reasonable and beneficial use regulations.
- Revenue from this program would be split with 10 percent coming to the IID for expenses, 85 percent to participating landowners and 5 percent to the community for the 200,000 acre-feet conserved on farm. It is assumed the IID would receive the revenue from the 100,000 acre-feet directly conserved from system improvements.

BENEFITS AND IMPACTS

The IID program is intended to meet the obligations of the water transfer and the quantification agreement and still protect the local economy through its prohibition of fallowing as well as its use of the income it generates.

The IID would use its 10 percent to pay for administration, environmental mitigation, lost water and power sales, cost recovery of transfer legal expenses, and the EIR/EIS costs.

The 85 percent of the revenue going to the landowners, according to the IID, can be used for capital costs of conservation, annual operation and maintenance of the conservation systems and for incentives to participate. Capital costs could range from \$110 to \$150 per acre-foot and O&M from \$70 to \$95 per acre-foot.

Therefore, depending upon what those costs would be, incentive amounts could range from a negative (\$33.35) per acre-foot saved to a high of \$31.65 per acre-foot.

The community would receive 5 percent of the transfer revenue for the 200,000 acre-feet conserved on-farm, which could be used for community betterment, economic development or to mitigate effects of any reduced farm production discussed below.

This plan by the IID is intended to produce positive impacts and certainly avoid the negative economic impacts from fallowing for the core of Imperial Valley.

There is, however, potential for serious environmental and socio economic consequences to the Salton Sea and the surrounding communities. The non-fallowing alternatives also raise significant questions regarding air quality and health, which have yet to be resolved. There is no water included for the Salton Sea from this proposal; all of it would be used for the transfer. Mitigation for environmental consequences to the Salton Sea is limited to IID's contractual obligations. Its assumption apparently is that any mitigation of impacts there would be covered by other agencies.

Other concerns about this plan are expressed below:

1. Because there are no requirements for the landowner to implement on-farm water conservation efficiencies—only an agreement to reduce water deliveries from a baseline amount—it leaves landowners free to choose any conservation method. That could include reduction of farm production, which would be an equivalent to fallowing. Landowners will most likely choose the option with the highest economic reward.
2. If landowners choose to simply reduce their production, a worst-case scenario is that 130,000 of the 300,000 acre-feet of water conserved annually would be produced by an equivalent of fallowing—with the resulting negative community impacts. This assumes that the estimate of the Farm Bureau is correct that 70,000 acre-feet can be conserved on farm due solely to IID system improvements. In an even worse scenario—if the Farm Bureau is incorrect—up to the full 200,000 acre-feet potentially could be saved through this unintended fallowing. If either of these situations were to occur, the 5 percent of the transfer revenue going to the community would be insufficient to cover the projected impacts.
3. The IID plans to allocate water to the landowners based on a five-year historical usage of water to farms. This would determine how much water a farm was entitled to and how much money the farmer might receive from transfer payments. This plan has created a lot of controversy. The IID had been trying for years with different plans to get farmers to use less water. This penalizes those who were cooperating and who were frugal with their water. It rewards those who used more water. Those with sandy ground end up with a lot more water than those with heavier ground. The point is that this method of allocation is unfair and is going to give some landowners a substantial benefit over others.
4. The IID has not offered a complete overall financial evaluation of its plan, factoring in all elements including the impact of the quantification agreement.
5. The draft EIR/EIS also does not adequately analyze the benefits, if any, to the economy from Salton Sea Recreation. Current use figures should be used to evaluate any recreational benefits of the Salton Sea and its communities to the Imperial and Coachella valleys. The draft EIR/EIS cites a 1987 CIC study that showed the Sea's recreational industry in 1987 resulted in about \$80 million in annual business output. Those figures are too old to have any relevance except as historical comparisons. A complete economic study should be conducted to evaluate how the transfer would impact the Salton

Sea, especially if it results in an acceleration of its becoming a hyper-saline lake.

6. An additional economic study should be conducted to determine whether a shrunken Salton Sea would stimulate expansion of geothermal electric generation along the shore of the lake. An evaluation should be made whether this could help mitigate some of the recreational and/or environmental impacts noted above.
7. The aesthetic aspects of a much-reduced Sea could create disincentives for regional economic development.

CIC offers some financial scenarios that should be considered in any future fiscal analysis of conservation methods. The full CIC report is attached as Attachment E.

According to CIC, lower prices paid by CVWD and MWD under the Quantification Agreement, coupled with state and federal taxes, would substantially reduce net revenue from the transfer. CIC calculated that an average \$87.2 million in annual revenue would dwindle to \$1.5 million to cover IID Program costs with 300,000 acre-feet conserved from non-fallowing plans.

CIC discusses the following as for conservation of the minimum to meet the QSA – 230,000 acre-feet (100,000 acre-feet to CVWD and MWD and 130,000 acre-feet to San Diego):

"(With) \$50.5 million in average annual revenue and the draft EIR/EIS analysis of \$35.8 million in annual conservation costs plus \$18.4 million in annual farmer payments, the program ends up \$3.7 million short of paying for itself." (CIC page 5).

CIC notes that by boosting San Diego amount to 200,000 acre-feet and receiving the MWD price for the other 100,000 acre-feet, the extra \$11.5 million makes the program workable. Convincing CVWD to pay MWD's prices may be problematic. There is also an indirect benefit to businesses in the community by the "multiplier effect" on money spent in the community by the IID for system improvements and by farmers for conservation.

MITIGATION

If IID's assumptions are correct that there could be an economic benefit to the Imperial Valley from the use of transfer funds for on-farm conservation and few if any negative socio-economic impacts to the core of Imperial Valley, then it follows that most of the funds from the transfer should go to participating farmers because most of the risk for on-farm conservation would be incurred by landowners.

Negative socio-economic impact would be to Salton Sea-area residents and to the recreation industry in that region. Other parties (e.g., San Diego, CVWD, federal, and/or state government) should bear any costs to mitigate any impacts due to the transfer, including property in communities along the Salton Sea that are impacted due to the transfer.

Imperial Valley residents, including public agencies such as cities, the county and the IID, should not be financially responsible for any air quality, biological, or economic impacts due to physical changes in the Salton Sea.

If there is a loss to the farm economy due to simply cutting back production, there could be an equally negative socio-economic impact to the core of the Imperial Valley.

If agricultural production is to be maintained and water use efficiency improved, farm conservation incentives must be related to water use efficiency and the IID must institute a mechanism that will enforce the following prohibition in the rules.

It is unreasonable for Imperial Valley residents to risk their businesses, livelihoods or farms to transfer water to other users. Therefore, it is essential that we have indemnity against surprises resulting from unforeseen claims to mitigate or pay for impacts to people, property or the environment resulting from good-faith fulfillment of our contractual obligations. The IID and the people of the Imperial Valley, including farmers must be "held harmless" from any future costs of litigation or judgments stemming from environmental problems caused by the transfer.

The Farm Bureau Plan:

A Conservation Program with Transitional Fallowing

CONCEPT

Perhaps the most detailed proposal has been put forward by the Imperial County Farm Bureau, enclosed as Attachment G. It is a program for conserving all of the project water through system and on-farm conservation. Conservation methods would be financed by using a temporary fallowing program.

The basic components of the plan include:

1. System improvements (including lateral interceptors and mid-lateral reservoirs) to capture canal spills and permit farmers to reduce tail water.
2. A positive, voluntary incentive program to increase farms' water use efficiency by reducing tail water (with meters where needed) and reducing infiltration on fields with the highest infiltration rates.
3. Implementing special conservation projects where practical.
4. Utilizing research and extension to help farmers identify and implement more efficient and effective water use practices to get the most efficiency and production from the available water.
5. A Debt Avoidance / Inadvertent Over-Run Avoidance Program administered by IID.

IID would acquire control (by lease, purchase or option) of enough farmland to keep IID's total water use (including transfers) within its 3.1 MAF Colorado River entitlement and to help provide funds to implement its conservation program without incurring debt, either public or private.

BENEFITS AND IMPACTS

The preliminary funds analysis of the Farm Bureau Plan assumes \$90 million in annual revenue from the transfer by year 20 of the agreement. Funds would be used to finance the system improvements, on-farm conservation costs, incentives, meters, environmental mitigation and special conservation projects. There would be an allowance of \$3 million each year for research projects.

This plan would produce positive impacts and certainly avoid the negative economic fall-out from permanent following. There is potential for serious environmental and socio-economic consequences to the Salton Sea and the surrounding communities. Any non-following alternative also raises significant questions regarding air quality and health effects from a partially exposed Salton Sea lakebed. Those questions have not been resolved.

There is no water included for the Salton Sea in the Farm Bureau Plan. All of it would be used for the transfer. Mitigation for environmental consequences to the Salton Sea is limited to IID's contractual obligations. Its assumption is that any mitigation of impacts would be covered by other agencies.

While not addressing the Farm Bureau Plan specifically, CIC did analyze non-following in a generic sense.

The full CIC report is attached as Attachment E.

It should be noted the revenue figures analyzed by CIC are not the same as those used by the Farm Bureau. IID officials have said some of the revenue figures used in the EIR/EIS were understated. The difference amounts to a \$10 million annual variation by the 20th year of the agreement. With the Farm Bureau Plan, there are indications that, if spent effectively, the revenue from the transfer would cover the costs of conservation, as well as provide new jobs as the plan evolves in the form of on-farm, system, research, and construction employment.

Comments stated above in the discussion of the IID System/On-Farm Plan dealing with CIC's economic findings and the potential impacts to the Salton Sea also apply to any analysis of the Farm Bureau Plan.

MITIGATION

In view of the fact there may be an economic benefit to the Imperial Valley from the use of transfer funds for conservation, there may be few, if any, negative socio-economic impacts to the core of Imperial Valley; and since most of the risk for on-farm conservation would be incurred by farmers, most of the funds from the transfer should go to participating farmers.

Since this plan includes transitional following in the early years, there will be impacts to employment that would last during the following phase. This could be mitigated by an investment from San Diego of up-front funds to either develop severance programs and/or re-training programs for workers who are affected.

As for the Salton Sea, other agencies (e.g. San Diego, federal and/or state government) should bear any costs to mitigate any impacts due to the transfer, including property in communities along the Salton Sea that are impacted due to the transfer. Specifically, Imperial Valley residents, including public agencies such as cities, county and

the IID, should not be financially responsible for any air quality, biological, or economic impacts due to physical changes in the Salton Sea. The major negative socio-economic impact would be to Salton Sea-area residents and to the recreation industry in that region.

The Following Alternative(s)

CONCEPT

The perception of fallowing of Imperial Valley farm land for water conservation purposes has traditionally meant allowing farmers to take land out of production—either permanently or on a temporary basis (through crop rotation or other means)—and allowing them to sell the water to San Diego.

Any fallowing plan, especially permanent fallowing, has the potential for producing the most negative direct socio-economic impacts of any alternative with very few corresponding direct positive impacts in the Imperial Valley. Net transfer funds would presumably go to the landowners, many of who do not live in Imperial Valley, thereby reducing the total amount of transfer revenue to the Imperial Valley economy. The only exception is the Salton Sea, and communities around the Sea, which would not be significantly impacted.

Landowner-based fallowing plans do not discriminate between marginal or highly productive land, do not ensure that revenues would be used in capital investment in Imperial Valley, could create adverse impacts on land values, and because land is fallowed for up to 75 years, could create air quality and health issues. Additionally, economic forces and the participants would dictate what land is fallowed. There is no assurance that the land taken out of production would be marginal, low crop value ground. Permanently fallowed land would have no water available for future uses, including municipal and industrial uses.

With the exception of the Farm Bureau Plan (discussed above) that temporarily takes land out of production to build capital for long-range on farm conservation measures, the only realistic reason to fallow ground would be to prevent environmental impacts to the Salton Sea. The cost in jobs in the central portion of the Valley has been estimated to range from 500 to 1,400 jobs.

However, there are several other alternatives that have been proposed to mitigate the impacts of the transfer on the Salton Sea, on the environment and on the local economy. Both of the alternatives discussed below warrant more economic study.

1. Purchase of Land to be fallowed by the IID and held in trust

This alternative is a hybrid plan that has been suggested by El Centro Businessman Larry Bratton and El Centro Mayor Larry Grogan. The only difference in the two plans is the timing of land acquisition. Mr. Bratton advocates the IID acquiring and fallowing the land through a phased purchase as the ramp up progresses. The land would be held by the IID in trust for future economic development purposes (i.e. using the land for a cargo airport). Mr. Grogan has suggested acquiring the entire amount of land projected to be needed at the outset and temporarily leasing some of it back to agricultural production. In both plans, land

would be taken out of production according to the ramp up schedule. If the fallowed land were to be used for municipal, residential, commercial and/or industrial development purposes that required water, additional acres would need to be fallowed to provide water for the transfer.

2. Fallowing through natural economic expansion

One area that has not been addressed is land that is being taken out of production due to the natural growth of the Valley over the next 40 years. During the next four decades, according to projections by the State Department of Finance, the population of the Valley in 2040 will be slightly over 504,000. This represents an increase of 349,500 that will result in an estimated increase in housing units of 100,000 over the present inventory of almost 44,000.

Based upon housing density of four homes per acre, it is estimated that upwards of 25,000 acres will be taken out of agricultural production over the next 40 years for residential development. While we understand that this may be reduced when multi-family dwellings are included, it should be more than offset by future expansion of commercial and industrial development. Additionally, we realize that these homes also will use water, so any savings is not on a 1:1 basis.

Using a figure of 50 percent savings of water currently used on that land (with the remainder used by the housing), by 2040, water would be available for transfer that would equal 12,000 acres of fallowed ground.

If these assumptions are correct, an equivalent of 25 percent of the necessary agricultural land will be taken out whether there are transfers or not. Steps should be taken to ensure that water from this ground is credited in the transfer. If the growth progression continues at the state-predicted level for 75 years, it is estimated that the fallowed agricultural land equivalency for water transfers would be 23,000 acres. With improvements in water conservation measures over the next 75 years, that "economically fallowed" land could yield even more water for other purposes.

Whether the water from this land would become fully available for the transfer would depend upon a number of factors, including farming practices. Agricultural water has gradually increased due to double cropping, higher water use crops, and more intensive farming resulting from continued reclamation of farmland. It is possible that much of this savings would be needed for agricultural uses.

This issue has not been mentioned in any economic evaluations of the transfer and it should be evaluated.

BENEFITS AND IMPACTS

~~Depending upon the selection of crops to be impacted, fallowing could produce the~~ most negative direct socio-economic impacts of any conservation program with few corresponding direct positive impacts in the core of Imperial Valley. Therefore, fallowing must be temporary or as a result of beneficial normal crop rotation. The only permanent fallowing that can be allowed to occur must be economic fallowing, which is taking farmland

out of production because it is being developed for commercial or industrial purposes that creates job opportunities and economic growth for the Imperial Valley.

However, it is recognized that fallowing is also the most environmentally neutral option to the Salton Sea as it would lessen the potential socio-economic impacts to residents of the communities in the Salton Sea area, including the Torres-Martinez Indian tribe.

With that said, the Commission developed a rough analysis using financial information from the draft EIR/EIS in an attempt to give a comprehensive financial profile for the proposed fallowing plans. One caveat is a position that the Commission has long held from the outset of its work. The Commission believes that an insufficient financial analysis has been done or the analysis that has been offered has used incomplete or old data. With that in mind, the Commission developed two scenarios for land fallowing using the Bratton and Grogan Plans, and then factored in the "natural economic fallowing" concept. These analysis are illustrative of the type of information that should have been provided through the EIR/EIS process. More extensive economic studies must be completed by economic experts prior to implementation of any plan. Neither of our laymen's analysis factors in the economic impacts/benefits to the Salton Sea for recreational, tourist, camping opportunities. As stated elsewhere in this report this should be thoroughly analyzed with up to date information. Our complete analysis is attached as Attachment H.

In the first analysis, which does not factor in fallowing to provide water to the Salton Sea we assume that 53,000 acres are fallowed. The analysis by Commission indicates that the net gain to the economy may be as little as \$18 million per year because most of the revenue received must offset lost agricultural production. This estimate uses the financial information from the EIR/EIS that projects in the year 2027 about \$80 million in total revenues would be received. Of that amount \$62 million would be needed to recoup crop losses from fallowing, assuming an average of \$1,166 is gross profit. The calculations are as follows: [$\$80,000,000$ less $(53,000 \times \$1,166 = \$61,798,000) = \$18,000,000$].

In the second analysis the Commission assumes that the impacts to the Salton Sea cannot and should not be ignored. Therefore, any program to transfer water must consider the Sea and its preservation because that would be the only reason a fallowing program would be implemented. We assume that 75,000 acres would be fallowed in the year 2027. Revenues generated using figures contained in the EIR equal \$80 million and crop losses equal \$87 million, resulting in losses of about \$7 million annually. [$\$80,000,000$ less $(75,000 \times \$1,166 = \$87,450,000) =$ loss of $\$7,450,000$ annually]. Of major significance is that in virtually all of the 75-year period there are net losses to the Imperial Valley ranging from \$12-\$17 million annually.

Any economic analysis should factor in the use of fallowed land for economic development. The foregoing analysis does not account for the need for residual water for use by commercial, industrial or residential development; therefore, additional land may have to be fallowed to provide for that purpose.

MITIGATION

The IID Board should develop a specific transfer plan that incorporates an Economic Development Plan that does not just "make the Imperial Valley whole" but actually improves the quality of life in this region. The economic development plan should have elements that

mitigate any impacts to employment caused by the transfer as well as long-range objectives to leverage the transfer into an expansion of the Valley's economic base. With the potentially serious impacts from fallowing threatening the local economy, it is imperative that any funds from fallowing be used to create new jobs to replace those that are lost. Funds for economic development activities and job creation, and training if necessary, should be provided to local governments directly responsible for this work in the Imperial Valley.

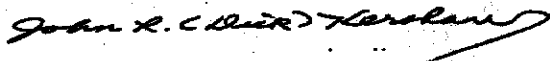
The land taken out of production, if owned by the IID, could be used as economic incentives to attract new industry such as a cargo airport, dairies or other commercial and industrial enterprises that are compatible for our region. We must also recognize and take advantage of emerging technologies that use agriculture products and convert them to renewable energy sources such as sugar cane to ethanol. In view of the potential land availability around the periphery of the cities (from "economic fallowing" due to natural expansion), the IID should explore high water use, marginal ground near the cities as it considers which land to purchase first.

Any land from this program could be used for additional industry attraction efforts.

To help stimulate the agricultural economy, some of the transfer funds could be used to reduce water rates, thereby minimally enhancing the profitability of farm operations and encouraging expansion/employment in those operations.

In summary, more extensive economic and financial studies should be conducted using current information to determine the cost/benefits of fallowing marginal, high water-use ground and/or converting it to industrial, residential or municipal uses. A comprehensive economic development plan should then be developed to incorporate the concerns relating to fallowing of productive farmland and preservation of our quality of life and environment.

Respectfully submitted on this 25th day of April:



John R. Kershaw, Chairman, Commission

List of Attachments

- Attachment A:** Community Advisory Commission Members
- Attachment B:** Community Advisory Commission Work Plan
- Attachment C:** Outreach Efforts and Presentations made to Commission
- Attachment D:** Commission's Key Issues for EIR/EIS Scoping
- Attachment E:** CIC Research, Inc. Economic Analysis Report
- Attachment F:** CIC Research, Inc. Chapter on Environmental Justice
(appendix A of Economist Analysis Report)
- Attachment G:** Farm Bureau Conservation Plan and Financial Analysis
- Attachment H:** Bratton Plan and Financial Analysis
- Attachment I:** Minority Report by Ike Adams

Attachment A

Imperial Irrigation District's Community Advisory Commission Members

Ike Adams *

John Anderson *

Bill Condit *

Don Cox

Jim Duggins *

Larry Gilbert

Shorty Hickingbottom *

Hank Kuiper

Steve Hogan

Dick Kershaw *

Heidi Kuhn *

Vincent Long

Jose Lopez *

Dilda McFadden

Frank Miranda *

Gil Perez *

Earl Roberts *

Luis Zendejas *

*** Members since its inception**

Community Advisory Commission Work Plan

I. Broad Mission

The broad mission of the CAC, as stated in IID board resolution 17-98 is to

- (1) Assess possible community benefits and impacts of the IID's Water Conservation Plan
- (2) Recommend possible community impact mitigation measures
- (3) Memorialize its work for consideration in the EIR/EIS process.

II. Areas of work

In meeting the Board's goals for the CAC, its work falls into two separate and distinct areas:

- (1) **Development of a parallel, but objective, completely independent and proactive process that will address community concerns regarding a water transfer with the San Diego County Water Authority.**
 - (A) The CAC will develop an outreach program to the community to solicit input regarding benefits and concerns about the water transfer and will insure they are addressed by the IID Board as necessary. Means to develop this information can include:
 - Presentations to community-based organizations, service clubs, school organizations, city councils, chambers of commerce and other groups as identified by the CAC.
 - Documenting opinions from various constituencies
 - (B) The CAC will develop comments and positions on socio-economic benefits or impacts of the transfer that may or may not be addressed by the EIR/EIS process. This can include:
 - Validation of existing studies, such as the economic impact report developed by Dombush;
 - Development of other economic models with the assistance of independent experts.
 - (C) The CAC will act as a medium through which the broader community becomes more familiar with the issues surrounding the water transfer and the Valley's water rights. The CAC can do this through:
 - Presentations at its public meetings
 - Community forums in all Valley communities.

(2) Work within the legal constraints of the EIR-EIS

- (A) The CAC, in coordination with IID staff, will meet regularly with the CH2M Hill consultant according to the work plan to insure that the socio-economic concerns of the broader community are being addressed in the EIR/EIS process.
- (B) The CAC will work with the IID and CH2M Hill on the public scoping process.

III. Final products

- (1) **The CAC will quantify and document community impacts and benefits and make recommendations regarding mitigation alternatives.** As part of this, the CAC will address whether there should be a recommendation to the board that some money from the transfer should go to the broader community.
- (2) **The work of the CAC will be considered for inclusion in the final EIR-EIS documents.**
- (3) **A separate report will be prepared by the CAC that contains both majority and minority findings of the CAC.** It will contain:
- Concerns or comments regarding the actual EIR-EIS report
 - Other issues that may or may not be included in the EIR/EIS but are considered important for the board to incorporate in its deliberations regarding the water transfer.

Attachment C

Outreach and Presentations to CAC

In accomplishing its Work Plan (Attachment B) the CAC made a number of public outreach efforts:

January 1999: Letter sent to all organizations that were involved in the CAC process, seeking their concerns and recommendations regarding the water transfer. Two responses were received: from the City of El Centro and the El Centro Chamber of Commerce.

March 16, 1999: IID legal counsel expresses concern that CAC's outreach work may be confused with the legal scoping process. They recommend separate letterheads to lessen potential for this confusion. That recommendation is accepted.

March 23, 1999: When representatives from Palo Verde decline to appear before CAC to discuss MWD following experiment there, CAC members undertake their own investigation in a visit to Palo Verde. Those findings are reported back to the committee.

Sept. 24, 1999: CAC sends letter to all organizations involved in CAC process inviting representatives to attend its Oct. 5, 1999 meeting to learn about the scoping process. The objective is to build interest in the official scoping hearings set for Oct. 12, 13, & 14 1999.

Oct. 19, 2000: CAC holds its own "scoping meeting" to develop its input to the final CH2M Hill Report. Public invited to participate.

Nov. 9, 1999: Subcommittees established to solicit input from Agriculture, Community Based Organizations, Ag related businesses, Cities/County, Chambers and other businesses.

Dec. 7, 1999: Business subcommittee holds discussion session and elicits information from several Valley business entities regarding transfer.

Jan. 28, 2000: Community Based Organizations Subcommittee meets with non-profits to discuss mitigation issues.

Feb. 9, 2000: Survey mailed to Ag related businesses seeking information on how the transfer will impact them.

April 11, 2000: CAC hosts CH2M Hill economist in presentation on economic aspects of EIR/EIS. Ads placed for public participation.

July 25, 2000: CAC hosts U.S. Filter in presentation of its proposals regarding transfer. Ads taken out to get public participation

March 27, 2002: CAC hosts major water forum in cooperation with a number of community-based organizations for the purpose of educating the public on the impending transfer and its ramifications. Intent was to foster interest in April 3, 2002 public hearing on the EIR in El Centro.

A Partial List of Presentations to CAC:

- Oct. 6, 1998:** Presentation on Colorado River Issues by John Carter and David Osias.
- Oct. 13, 1998:** Presentation on Colorado River issues as seen by Colorado and Arizona. Presenters: Jim Lockhead, special consultant to Colorado Governor and Rita Pearson, Director of Arizona Water Resources.
- Oct. 20, 1998:** Presentation by IID Water Conservation Advisory Board
- Oct. 27, 1998:** Presentation by IID legal counsel on transfer agreement
- Nov. 3, 1998:** Presentation on Valley Ag Economics by Farm Bureau reps
- Nov. 10, 1998:** Presentation by Tom Topuzes on Valley economy
- Nov. 17, 1998:** Presentation by IID legal counsel on costs of transfer
- Dec. 1, 1998:** Presentation by EDD on employment issues in Valley
- Dec. 8, 1998:** Presentation on water conservation alternatives by IID staff
- Dec. 15, 1998:** Presentation by CH2M Hill on EIR/EIS process
- Jan. 19, 1999:** Presentation by Jim Merchant on Dornbush Study
- May 18, 1999:** Presentation by Bill Jacoby, San Diego County Water Authority on San Diego's water needs.
- June 15, 1999:** Presentation by IID staff on on-farm guidelines
- Nov. 30, 1999:** Presentation by Tom Kirk, Executive Director of Salton Sea Authority, on Salton Sea Restoration issues
- July 25, 2000:** Presentation by Ed McGrew on US Filter proposals re transfer
- Sept. 12, 2000:** Presentation by Andy Horne & Tom Veysey on Salton Sea issues
- Oct. 30, 2001:** Presentation by Robert Johnson of the Bureau of Reclamation and Tom Kirk of the Salton Sea Authority regarding economic implications of the transfer and impacts/choices facing the Salton Sea
- March 27, 2002:** _Water Issues Forum featuring key representatives from the Bureau of Reclamation, Planning and Conservation League, Defenders of Wildlife, San Diego County Water Authority, IID, Valley businesses and agriculture.

ATTACHMENT D

CAC'S KEY ISSUES ON FIR/EIS

Economic Development/Employment Issues

1) Loss of Jobs

Jobs could be lost if land is taken out of production or if farmers go to less labor-intensive crops. This could impact farm workers as well as suppliers and the general community.

2) Valley's reputation will be hurt

The Valley's reputation could be hurt if people elsewhere in the nation perceive the Valley "sold out" its water rights. This occurred in the Owens Valley.

3) Loss of water will hurt future

development of NAFTA-related industry in the border area. Major firms that are looking at moving into Mexico and into this region of the U.S. are attracted by an abundant water supply as well as other factors.

4) Price of Water

If there is a reduction in water availability, the price will be higher.

5) There will be changes in the

nature of jobs available in the Valley.

As we move from labor-intensive work to a more mechanized and white-collar economy, training issues at IVC and SDSU need to be addressed to ensure we have a qualified work force.

6) There will be positive impacts to the economy with the money coming into the Valley as a result of the transfer.

How will it be distributed? Who will say where it will go? It is important that this money stays in the Valley economy.

Business Issues

1) Reserve water for business expansion and attraction.

Current figures state only 2% of the IID water is used by cities. Need to take into consideration the loss of water and price of water to the cities and the impact on expansion of incorporated and unincorporated communities.

2) How will the water transfer

effect the possibilities of future expansion of the IID service area to unincorporated communities such as Ocotillo and those along the shores of Salton Sea. Salton Sea communities currently receive water from CVWD, but not

enough. They would like to be included in our service area.

3) What are the Water

Conservation Effects on:

1) Land Values

2) Cropping patterns/crop quality

3) I.V.'s market position in

state/world ag markets

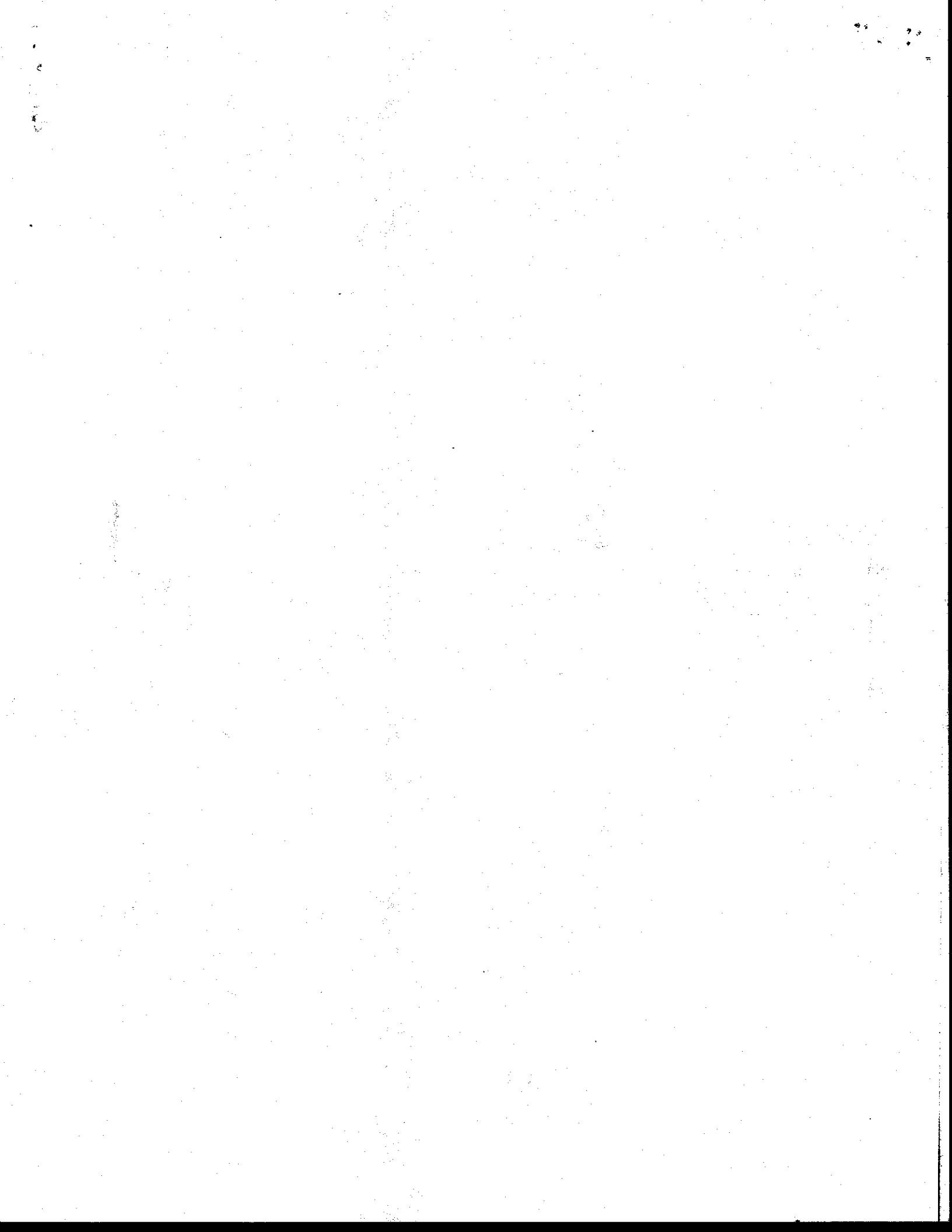
4) Price of water

5) Use of farm inputs/labor

If there is not enough money for true conservation, people will choose lower value crops even though they are not asking for those crops.

4) Cropping patterns is a big issue that needs to be discussed.

Crop quality (if they put less water on alfalfa, for example) will affect our yields as a county. Making cropping decisions is part of state and global ag market. If the price of water goes up, it would affect farming.

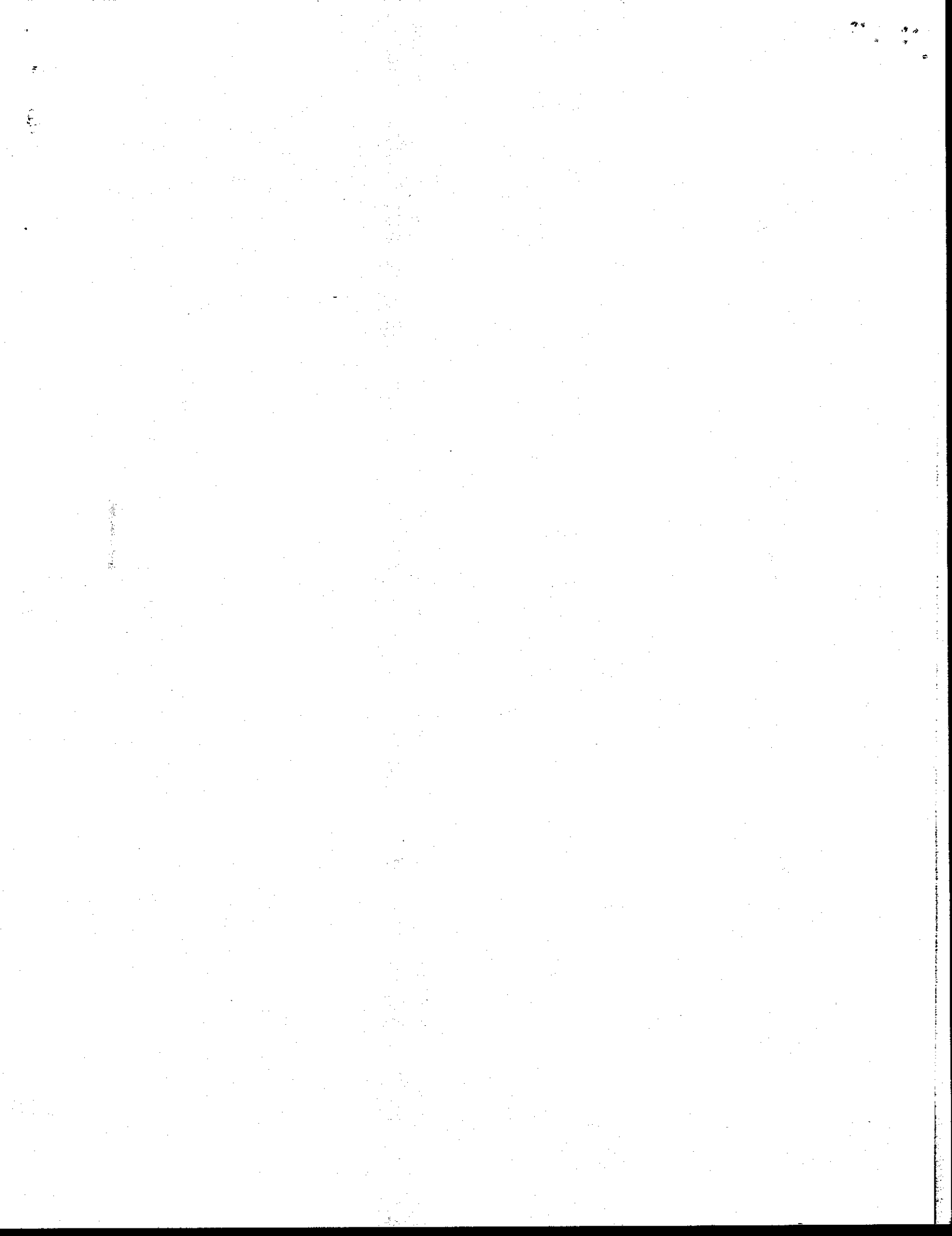


Community-based Organization Issues

- 1) Should money be returned to the community through additional financial support for non-profit organizations?
What will the community get out of this water transfer?
- 2) Should money be returned to the community through power rate reductions to consumers?
- 3) What will the impact be to community charitable groups, for example – emergency assistance – ERSP/United Way, etc.
Food and shelter programs in which Imperial County residents can qualify may be impacted. Amount of services and shelters needed, in the event of people not working, may increase. There would be financial impacts on those agencies.

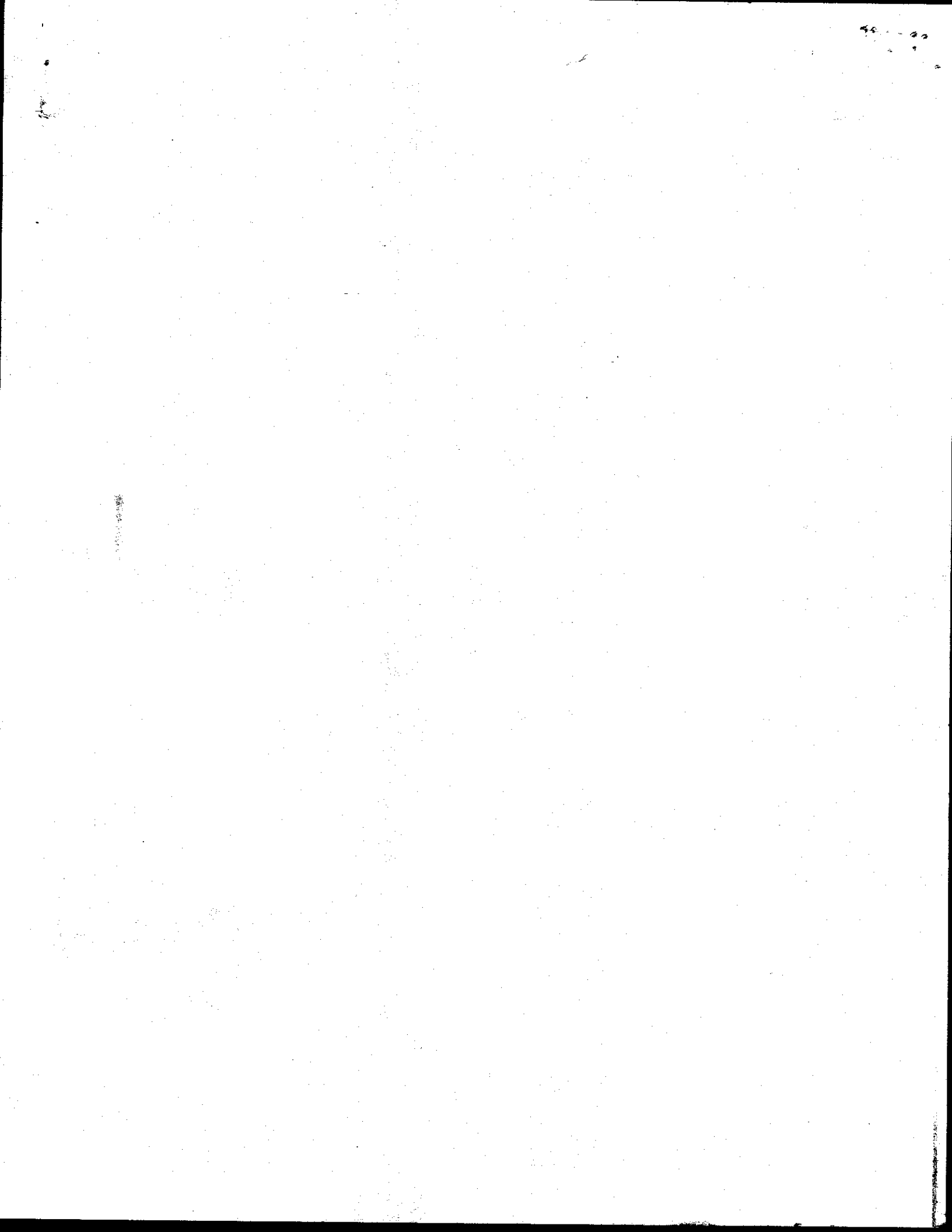
Government Issues

- 1) How do impacts on the farm economy affect tax receipts?
 - a) Property taxes/funding for schools
 - b) Public services: parks, public safety
 - c) EtceteraIf there were negative impacts to the farm community, it would trickle down to schools, local services, and quality of life issues.
- 2) What are the Certification and compliance requirements?
- 3) Will water transfer increase welfare cost to government?
If there should be a rise in unemployment, would the cost of welfare increase?
- 4) Salton Sea
Once a water conservation program is started, it will have drastic modification to the Salton Sea. The Salton Sea is a major economic base to Coachella Valley and Imperial County. It brings in a lot of revenue.
- 5) How will the State Fish & Game and Federal Fish & Wildlife Service react to agreement?
Salton Sea is a major game preserve. There is a big concern if the level of the Salton Sea changes, it will affect fish/bird life. Also, looking at drainage as a problem – lowering the quality in the Salton Sea.
- 6) What will the affect of limited water supplies be to Mexico
Their own source of water is the Colorado River. Somewhere in the future they could back and say they need more of our water due to impact to their groundwater supplies.
- 7) Identify government agencies that collect and record socio-economic data for Imperial County.
The EIR/EIS process is going to involve socio-economic models, requiring collection of data and input into models. Need to ensure that the data is reliable data and the assumptions are correct.



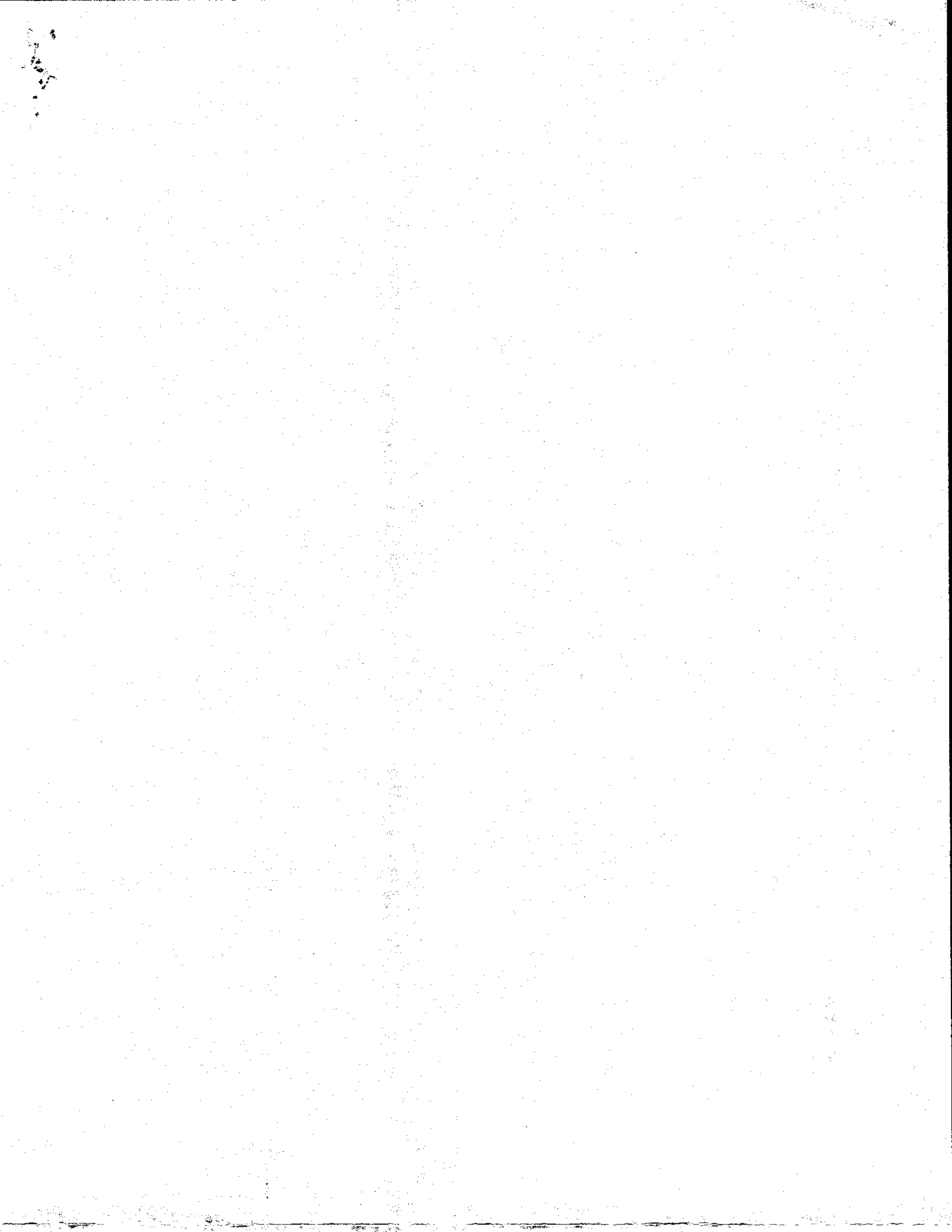
Government Issues – cont....

- 8) Flow of water to the Colorado Delta will be reduced if not eliminated, hurting spawning species of fish and nesting areas for endangered birds.**
Relates to #4 & #6. A variety of fish spawn in the area. If we are taking water from the river and send it to San Diego, there will be that much less water for spawning of species.

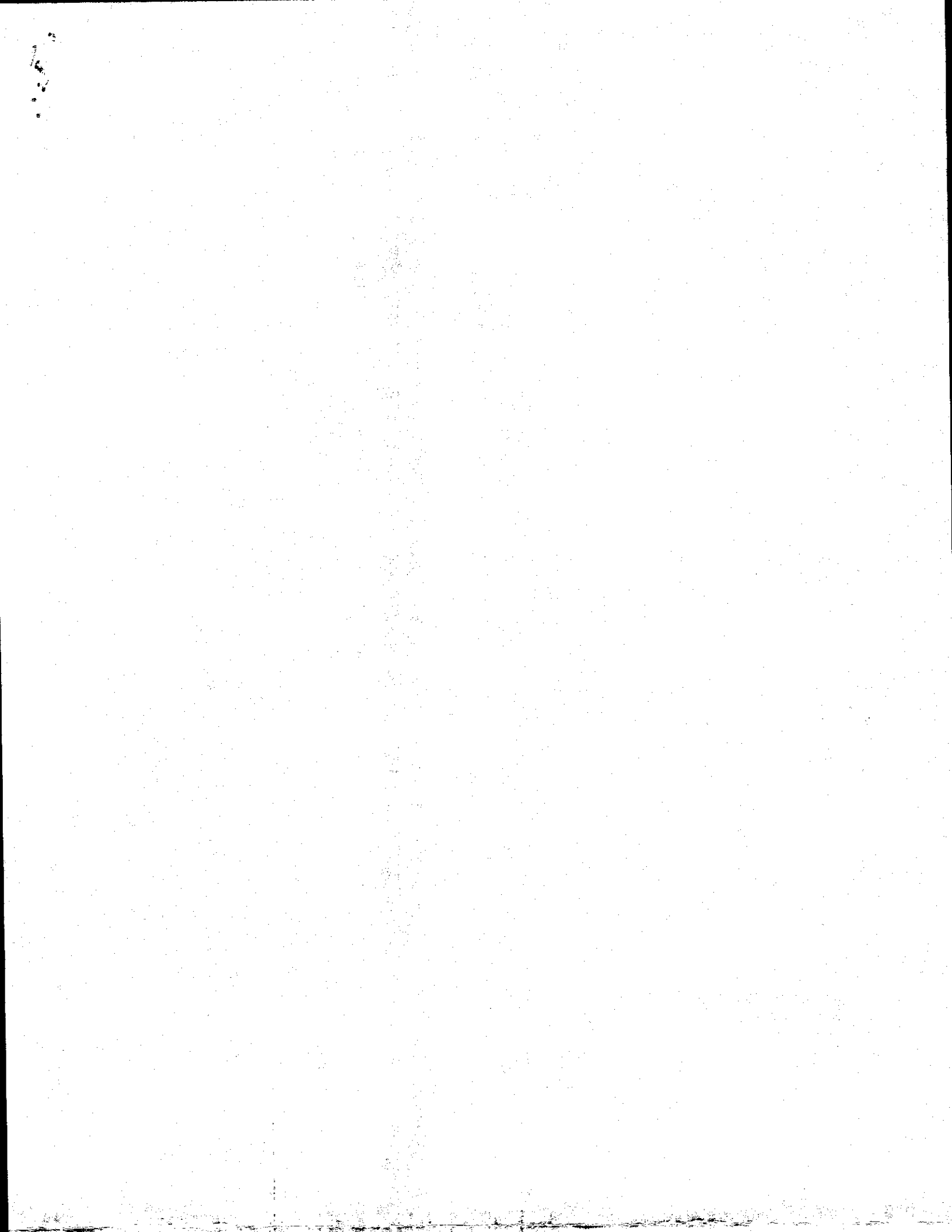


Revenue

Year	AF to SDCWA	1st 50 CAF to CVMW	2nd CAF CVMW or MWD	Total new transferred AF	San Diego Cumulative Total	San Diego Revenue	CVMW Cum 1st CAF	CVMW Revenue 1st 50 CAF	CVMW/NET Cum 2nd CAF	CVMW/NET Revenue 2nd 50 CAF	Total Gross Revenue to HD from all sources	Acres needed for all conservation thru following year	Acres out due to city growth to 2040 (95% savings)	BO Cost to purchase land for following year (\$2500/acre)	Net Revenue Pledged	Net Revenue at 2040
2002	20000	0	0	20000	20000	\$4,620,000	0	\$0	0	\$0	\$4,620,000	3552	0	\$0	\$4,620,000	\$4,620,000
2003	20000	0	0	20000	40000	\$10,040,000	0	\$0	0	\$0	\$10,040,000	7105	0	\$0	\$10,040,000	\$10,040,000
2004	20000	0	0	20000	60000	\$15,860,000	0	\$0	0	\$0	\$15,860,000	10657	0	\$0	\$15,860,000	\$15,860,000
2005	25000	0	0	25000	85000	\$23,120,000	0	\$0	0	\$0	\$23,120,000	15086	0	\$0	\$23,120,000	\$23,120,000
2006	25000	0	0	25000	110000	\$31,020,000	0	\$0	0	\$0	\$31,020,000	18538	0	\$0	\$31,020,000	\$31,020,000
2007	20000	0	0	20000	130000	\$38,090,000	0	\$0	0	\$0	\$38,090,000	22091	0	\$0	\$38,090,000	\$38,090,000
2008	20000	0	0	20000	150000	\$45,870,000	0	\$0	0	\$0	\$45,870,000	26043	0	\$0	\$45,870,000	\$45,870,000
2009	25000	0	0	25000	175000	\$55,125,000	0	\$0	0	\$0	\$55,125,000	31063	0	\$0	\$55,125,000	\$55,125,000
2010	25000	0	0	25000	200000	\$65,400,000	0	\$0	0	\$0	\$65,400,000	36024	0	\$0	\$65,400,000	\$65,400,000
2011	25000	25000	0	25000	225000	\$77,800,000	25,000	\$1,225,000	0	\$0	\$79,025,000	40083	2504	\$2,220,249	\$77,800,000	\$79,025,000
2012	5000	5000	0	5000	230000	\$70,800,000	30,000	\$1,470,000	0	\$0	\$72,270,000	41741	3130	\$2,220,249	\$70,800,000	\$72,270,000
2013	5000	5000	0	5000	235000	\$71,400,000	35,000	\$1,690,000	0	\$0	\$73,090,000	42829	3443	\$2,220,249	\$71,400,000	\$73,090,000
2014	5000	5000	0	5000	240000	\$72,000,000	40,000	\$1,920,000	0	\$0	\$73,920,000	43817	3786	\$2,220,249	\$72,000,000	\$73,920,000
2015	5000	5000	0	5000	245000	\$72,600,000	45,000	\$2,160,000	0	\$0	\$74,760,000	44405	4089	\$2,220,249	\$72,600,000	\$74,760,000
2016	5000	5000	0	5000	250000	\$73,200,000	50,000	\$2,380,000	0	\$0	\$75,580,000	44818	4392	\$2,220,249	\$73,200,000	\$75,580,000
2017	5000	5000	0	5000	255000	\$73,800,000	55,000	\$2,590,000	0	\$0	\$76,390,000	45181	4695	\$2,220,249	\$73,800,000	\$76,390,000
2018	5000	5000	0	5000	260000	\$74,400,000	60,000	\$2,790,000	0	\$0	\$77,190,000	47098	5008	\$2,220,249	\$74,400,000	\$77,190,000
2019	5000	5000	0	5000	265000	\$75,000,000	65,000	\$2,990,000	0	\$0	\$77,990,000	47857	5321	\$2,220,249	\$75,000,000	\$77,990,000
2020	5000	5000	0	5000	270000	\$75,600,000	70,000	\$3,190,000	0	\$0	\$78,790,000	48734	5634	\$2,220,249	\$75,600,000	\$78,790,000
2021	5000	5000	0	5000	275000	\$76,200,000	75,000	\$3,390,000	0	\$0	\$79,590,000	49611	5947	\$2,220,249	\$76,200,000	\$79,590,000
2022	5000	5000	0	5000	280000	\$76,800,000	80,000	\$3,590,000	0	\$0	\$80,390,000	50488	6260	\$2,220,249	\$76,800,000	\$80,390,000
2023	5000	5000	0	5000	285000	\$77,400,000	85,000	\$3,790,000	0	\$0	\$81,190,000	51365	6573	\$2,220,249	\$77,400,000	\$81,190,000
2024	5000	5000	0	5000	290000	\$78,000,000	90,000	\$3,990,000	0	\$0	\$81,990,000	52242	6886	\$2,220,249	\$78,000,000	\$81,990,000
2025	5000	5000	0	5000	295000	\$78,600,000	95,000	\$4,190,000	0	\$0	\$82,790,000	53119	7199	\$2,220,249	\$78,600,000	\$82,790,000
2026	5000	5000	0	5000	300000	\$79,200,000	100,000	\$4,390,000	0	\$0	\$83,590,000	53996	7512	\$2,220,249	\$79,200,000	\$83,590,000
2027	5000	5000	0	5000	305000	\$79,800,000	105,000	\$4,590,000	0	\$0	\$84,390,000	54873	7825	\$2,220,249	\$79,800,000	\$84,390,000
2028	5000	5000	0	5000	310000	\$80,400,000	110,000	\$4,790,000	0	\$0	\$85,190,000	55750	8138	\$2,220,249	\$80,400,000	\$85,190,000
2029	5000	5000	0	5000	315000	\$81,000,000	115,000	\$4,990,000	0	\$0	\$85,990,000	56627	8451	\$2,220,249	\$81,000,000	\$85,990,000
2030	5000	5000	0	5000	320000	\$81,600,000	120,000	\$5,190,000	0	\$0	\$86,790,000	57504	8764	\$2,220,249	\$81,600,000	\$86,790,000
2031	5000	5000	0	5000	325000	\$82,200,000	125,000	\$5,390,000	0	\$0	\$87,590,000	58381	9077	\$2,220,249	\$82,200,000	\$87,590,000
2032	5000	5000	0	5000	330000	\$82,800,000	130,000	\$5,590,000	0	\$0	\$88,390,000	59258	9390	\$2,220,249	\$82,800,000	\$88,390,000
2033	5000	5000	0	5000	335000	\$83,400,000	135,000	\$5,790,000	0	\$0	\$89,190,000	60135	9703	\$2,220,249	\$83,400,000	\$89,190,000
2034	5000	5000	0	5000	340000	\$84,000,000	140,000	\$5,990,000	0	\$0	\$89,990,000	61012	10016	\$2,220,249	\$84,000,000	\$89,990,000
2035	5000	5000	0	5000	345000	\$84,600,000	145,000	\$6,190,000	0	\$0	\$90,790,000	61889	10329	\$2,220,249	\$84,600,000	\$90,790,000
2036	5000	5000	0	5000	350000	\$85,200,000	150,000	\$6,390,000	0	\$0	\$91,590,000	62766	10642	\$2,220,249	\$85,200,000	\$91,590,000
2037	5000	5000	0	5000	355000	\$85,800,000	155,000	\$6,590,000	0	\$0	\$92,390,000	63643	10955	\$2,220,249	\$85,800,000	\$92,390,000
2038	5000	5000	0	5000	360000	\$86,400,000	160,000	\$6,790,000	0	\$0	\$93,190,000	64520	11268	\$2,220,249	\$86,400,000	\$93,190,000
2039	5000	5000	0	5000	365000	\$87,000,000	165,000	\$6,990,000	0	\$0	\$93,990,000	65397	11581	\$2,220,249	\$87,000,000	\$93,990,000
2040	5000	5000	0	5000	370000	\$87,600,000	170,000	\$7,190,000	0	\$0	\$94,790,000	66274	11894	\$2,220,249	\$87,600,000	\$94,790,000
2041	5000	5000	0	5000	375000	\$88,200,000	175,000	\$7,390,000	0	\$0	\$95,590,000	67151	12207	\$2,220,249	\$88,200,000	\$95,590,000
2042	5000	5000	0	5000	380000	\$88,800,000	180,000	\$7,590,000	0	\$0	\$96,390,000	68028	12520	\$2,220,249	\$88,800,000	\$96,390,000
2043	5000	5000	0	5000	385000	\$89,400,000	185,000	\$7,790,000	0	\$0	\$97,190,000	68905	12833	\$2,220,249	\$89,400,000	\$97,190,000
2044	5000	5000	0	5000	390000	\$90,000,000	190,000	\$7,990,000	0	\$0	\$97,990,000	69782	13146	\$2,220,249	\$90,000,000	\$97,990,000
2045	5000	5000	0	5000	395000	\$90,600,000	195,000	\$8,190,000	0	\$0	\$98,790,000	70659	13459	\$2,220,249	\$90,600,000	\$98,790,000
2046	5000	5000	0	5000	400000	\$91,200,000	200,000	\$8,390,000	0	\$0	\$99,590,000	71536	13772	\$2,220,249	\$91,200,000	\$99,590,000
2047	5000	5000	0	5000	405000	\$91,800,000	205,000	\$8,590,000	0	\$0	\$100,390,000	72413	14085	\$2,220,249	\$91,800,000	\$100,390,000
2048	5000	5000	0	5000	410000	\$92,400,000	210,000	\$8,790,000	0	\$0	\$101,190,000	73290	14398	\$2,220,249	\$92,400,000	\$101,190,000
2049	5000	5000	0	5000	415000	\$93,000,000	215,000	\$8,990,000	0	\$0	\$101,990,000	74167	14711	\$2,220,249	\$93,000,000	\$101,990,000
2050	5000	5000	0	5000	420000	\$93,600,000	220,000	\$9,190,000	0	\$0	\$102,790,000	75044	15024	\$2,220,249	\$93,600,000	\$102,790,000
2051	5000	5000	0	5000	425000	\$94,200,000	225,000	\$9,390,000	0	\$0	\$103,590,000	75921	15337	\$2,220,249	\$94,200,000	\$103,590,000
2052	5000	5000	0	5000	430000	\$94,800,000	230,000	\$9,590,000	0	\$0	\$104,390,000	76798	15650	\$2,220,249	\$94,800,000	\$104,390,000
2053	5000	5000	0	5000	435000	\$95,400,000	235,000	\$9,790,000	0	\$0	\$105,190,000	77675	15963	\$2,220,249	\$95,400,000	\$105,190,000
2054	5000	5000	0	5000	440000	\$96,000,000	240,000	\$9,990,000	0	\$0	\$105,990,000	78552	16276	\$2,220,249	\$96,000,000	\$105,990,000
2055	5000	5000	0	5000	445000	\$96,600,000	245,000	\$10,190,000	0	\$0	\$106,790,000	79429	16589	\$2,220,249	\$96,600,000	\$106,790,000
2056	5000	5000	0	5000	450000	\$97,200,000	250,000	\$10,390,000	0	\$0	\$107,590,000	80306	16902	\$2,220,249	\$97,200,000	\$107,590,000
2057	5000	5000	0	5000	455000	\$97,800,000	255,000	\$10,590,000	0	\$0	\$108,390,000	81183	17215	\$2,220,249	\$97,800,000	\$108,390,000
2058	5000	5000	0	5000	460000	\$98,400,000	260,000	\$10,790,000	0	\$0	\$109,190,000	82060	17528	\$2,220,249	\$98,400,000	\$109,190,000
2059	5000	5000	0	5000	465000	\$99,000,000	265,000	\$10,990,000	0	\$0	\$109,990,000	82937	17841	\$2,220,249	\$99,000,000	\$109,990,000

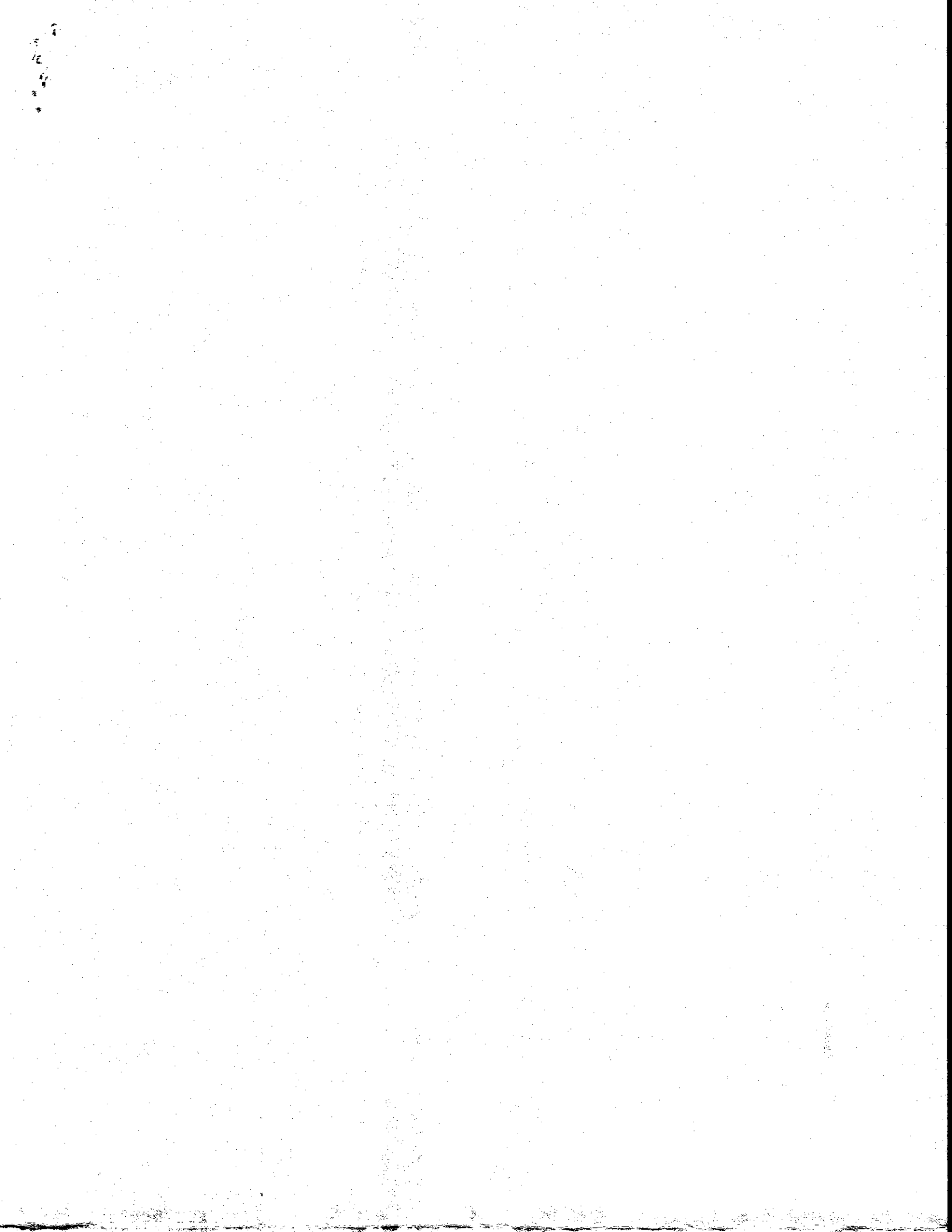


Year	AF to SDCWA	1st 50 KAF to CVWD	2nd KAF CVWD or MWD	Total new AF transferred	San Diego Cumulative Total	San Diego Revenue	CVWD Cum 1st KAF	CVWD Revenue 1st 50 KAF	CVWDNET Cum 2nd KAF	CVWDNET Revenue 2nd 50 KAF	Total Gross Revenue to MD from all sources	Acres needed if all conservation thru following	Acres out due to city growth to 2040 (50% savings)	MD Cost to purchase land for following @ \$2200/acre	Net Revenue Pledged	Net OMR purchase at \$2200
2060					200000	\$39,800,000	50,000	\$1,750,000	50,000	\$4,400,000	\$65,950,000	53286	18154	\$0	\$65,950,000	\$65,950,000
2061					200000	\$59,400,000	50,000	\$1,750,000	50,000	\$4,350,000	\$65,500,000	53286	18467	\$0	\$65,500,000	\$65,500,000
2062					200000	\$59,200,000	50,000	\$1,750,000	50,000	\$4,300,000	\$65,300,000	53286	18780	\$0	\$65,300,000	\$65,300,000
2063					200000	\$58,800,000	50,000	\$1,700,000	50,000	\$4,300,000	\$64,800,000	53286	19083	\$0	\$64,800,000	\$64,800,000
2064					200000	\$58,400,000	50,000	\$1,700,000	50,000	\$4,300,000	\$64,400,000	53286	19406	\$0	\$64,400,000	\$64,400,000
2065					200000	\$58,200,000	50,000	\$1,700,000	50,000	\$4,250,000	\$64,150,000	53286	19719	\$0	\$64,150,000	\$64,150,000
2066					200000	\$57,800,000	50,000	\$1,700,000	50,000	\$4,200,000	\$63,700,000	53286	20032	\$0	\$63,700,000	\$63,700,000
2067					200000	\$57,400,000	50,000	\$1,700,000	50,000	\$4,150,000	\$63,300,000	53286	20345	\$0	\$63,300,000	\$63,300,000
2068					200000	\$56,800,000	50,000	\$1,650,000	50,000	\$4,150,000	\$62,900,000	53286	20658	\$0	\$62,900,000	\$62,900,000
2069					200000	\$56,400,000	50,000	\$1,650,000	50,000	\$4,100,000	\$62,150,000	53286	20971	\$0	\$62,150,000	\$62,150,000
2070					200000	\$56,200,000	50,000	\$1,650,000	50,000	\$4,100,000	\$61,950,000	53286	21284	\$0	\$61,950,000	\$61,950,000
2071					200000	\$55,800,000	50,000	\$1,600,000	50,000	\$4,050,000	\$61,450,000	53286	21597	\$0	\$61,450,000	\$61,450,000
2072					200000	\$55,400,000	50,000	\$1,600,000	50,000	\$4,000,000	\$61,000,000	53286	21910	\$0	\$61,000,000	\$61,000,000
2073					200000	\$55,200,000	50,000	\$1,600,000	50,000	\$3,950,000	\$60,350,000	53286	22223	\$0	\$60,350,000	\$60,350,000
2074					200000	\$54,800,000	50,000	\$1,600,000	50,000	\$3,950,000	\$59,850,000	53286	22546	\$0	\$59,850,000	\$59,850,000
2075					200000	\$54,600,000	50,000	\$1,600,000	50,000	\$3,950,000	\$59,850,000	53286	22869	\$0	\$59,850,000	\$59,850,000
2076					200000	\$54,400,000	50,000	\$1,600,000	50,000	\$3,950,000	\$59,850,000	53286	23192	\$0	\$59,850,000	\$59,850,000

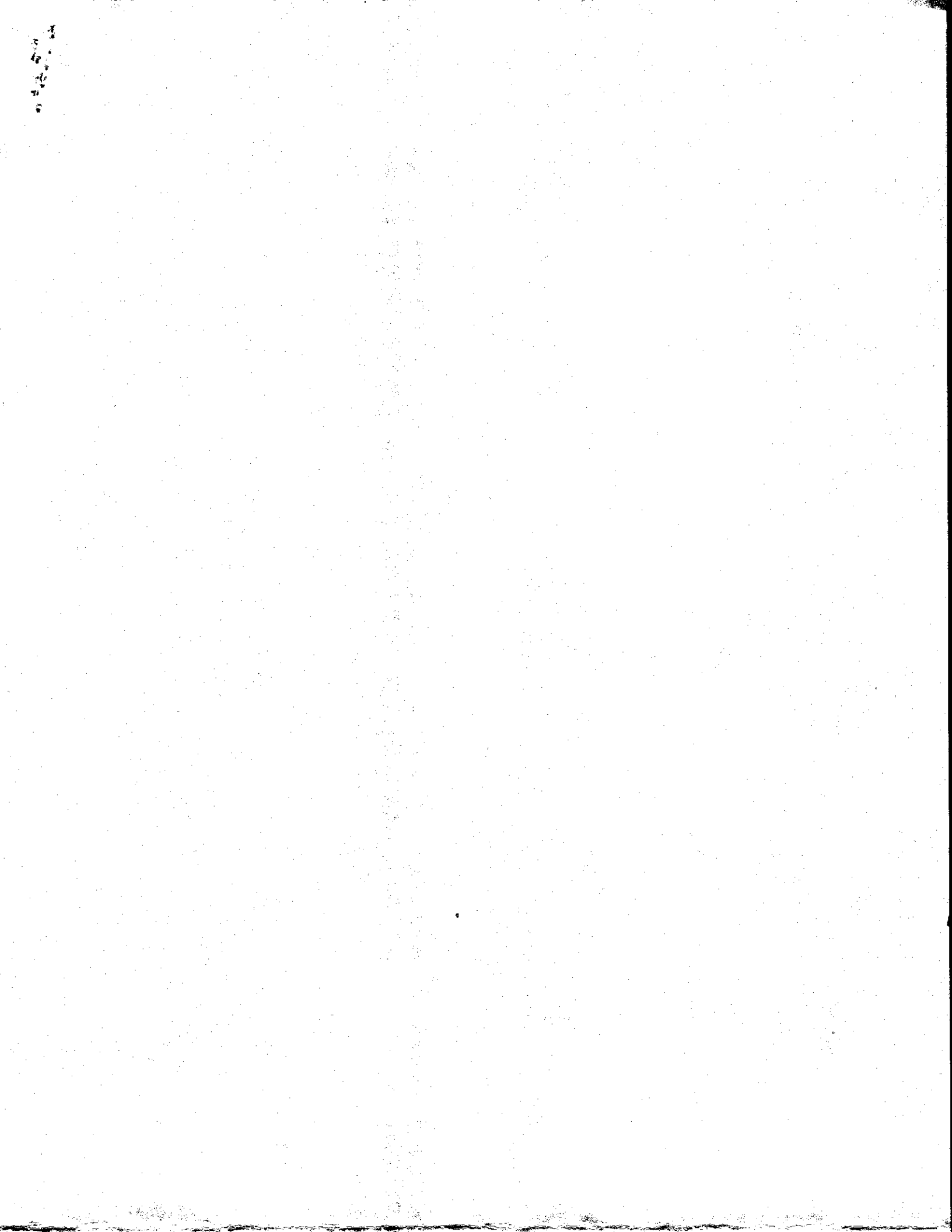


Revenue 2 - Factors in Salton Sea

Year	AF to SDCWA	1st 50 KAF to CVID	2nd KAF to CVID or NMD	Total new AF transferred	San Diego Cumulative Total	San Diego Revenue	CVID Cam 1st KAF	CVID Cam 2nd KAF	CVID/NMRT Revenue 2nd 50 KAF	Total Gross Revenue to MD from all sources	Acres needed H all conservation thru following savings)	Acres out the to city govt. to 2040 (90% of \$3500 acre savings)	MD Cost to purchase land for following \$3500 acre parcels	Net Revenue Pleased parcels	One parcel purchase price at \$22.50/acre
2002	20000	0	0	20000	20000	\$4,820,000	\$0	\$0	\$0	\$4,820,000	5000	0	\$12,500,000	-\$7,680,000	(\$2.25)
2003	20000	0	0	20000	40000	\$10,040,000	\$0	\$0	\$0	\$10,040,000	10000	0	\$12,500,000	-\$2,460,000	-\$116
2004	20000	0	0	20000	60000	\$15,660,000	\$0	\$0	\$0	\$15,660,000	15000	0	\$12,500,000	\$3,160,000	(\$102)
2005	25000	0	0	25000	85000	\$23,120,000	\$0	\$0	\$0	\$23,120,000	21250	0	\$15,625,000	\$7,495,000	-\$79
2006	25000	0	0	25000	110000	\$31,020,000	\$0	\$0	\$0	\$31,020,000	27500	0	\$15,625,000	\$15,395,000	-\$48
2007	20000	0	0	20000	130000	\$36,000,000	\$0	\$0	\$0	\$36,000,000	32500	0	\$12,500,000	\$23,500,000	-\$10
2008	20000	0	0	20000	150000	\$45,000,000	\$0	\$0	\$0	\$45,000,000	37500	0	\$12,500,000	\$32,750,000	-\$35
2009	25000	0	0	25000	175000	\$55,125,000	\$0	\$0	\$0	\$55,125,000	43750	0	\$16,625,000	\$38,500,000	-\$65
2010	25000	0	0	25000	200000	\$65,400,000	\$0	\$0	\$0	\$65,400,000	50000	0	\$16,625,000	\$48,775,000	-\$95
2011	25000	0	0	25000	225000	\$77,000,000	\$0	\$0	\$0	\$77,000,000	56250	0	\$16,625,000	\$65,400,000	-\$125
2012	20000	6000	0	26000	245000	\$87,800,000	\$1,225,000	\$0	\$0	\$89,025,000	58250	2817	\$3,125,000	\$84,900,000	-\$88
2013	20000	6000	0	26000	265000	\$97,000,000	\$1,470,000	\$0	\$0	\$98,470,000	60750	2817	\$3,125,000	\$91,345,000	-\$72
2014	20000	6000	0	26000	285000	\$106,000,000	\$1,660,000	\$0	\$0	\$107,660,000	63250	3443	\$3,125,000	\$99,535,000	-\$64
2015	5000	5000	0	10000	300000	\$114,000,000	\$2,160,000	\$0	\$0	\$116,160,000	65750	3443	\$3,125,000	\$106,035,000	-\$57
2016	5000	5000	0	10000	310000	\$121,000,000	\$2,160,000	\$0	\$0	\$123,160,000	68250	3443	\$3,125,000	\$112,935,000	-\$50
2017	0	6000	0	6000	316000	\$127,000,000	\$2,350,000	\$0	\$0	\$129,350,000	70750	3443	\$3,125,000	\$119,225,000	-\$43
2018	0	6000	0	6000	322000	\$133,000,000	\$2,350,000	\$0	\$0	\$135,350,000	73250	3443	\$3,125,000	\$125,125,000	-\$36
2019	0	6000	0	6000	328000	\$139,000,000	\$2,350,000	\$0	\$0	\$141,350,000	75750	3443	\$3,125,000	\$131,025,000	-\$29
2020	0	6000	0	6000	334000	\$145,000,000	\$2,350,000	\$0	\$0	\$147,350,000	78250	3443	\$3,125,000	\$136,925,000	-\$22
2021	0	6000	0	6000	340000	\$149,000,000	\$2,350,000	\$0	\$0	\$151,350,000	80750	3443	\$3,125,000	\$142,825,000	-\$15
2022	0	6000	0	6000	346000	\$153,000,000	\$2,350,000	\$0	\$0	\$155,350,000	83250	3443	\$3,125,000	\$148,725,000	-\$8
2023	0	6000	0	6000	352000	\$157,000,000	\$2,350,000	\$0	\$0	\$159,350,000	85750	3443	\$3,125,000	\$154,625,000	-\$1
2024	0	6000	0	6000	358000	\$161,000,000	\$2,350,000	\$0	\$0	\$163,350,000	88250	3443	\$3,125,000	\$160,525,000	6
2025	0	6000	0	6000	364000	\$165,000,000	\$2,350,000	\$0	\$0	\$167,350,000	90750	3443	\$3,125,000	\$166,425,000	13
2026	0	6000	0	6000	370000	\$169,000,000	\$2,350,000	\$0	\$0	\$171,350,000	93250	3443	\$3,125,000	\$172,325,000	20
2027	0	6000	0	6000	376000	\$173,000,000	\$2,350,000	\$0	\$0	\$175,350,000	95750	3443	\$3,125,000	\$178,225,000	27
2028	0	6000	0	6000	382000	\$177,000,000	\$2,350,000	\$0	\$0	\$181,350,000	98250	3443	\$3,125,000	\$184,125,000	34
2029	0	6000	0	6000	388000	\$181,000,000	\$2,350,000	\$0	\$0	\$185,350,000	100750	3443	\$3,125,000	\$190,025,000	41
2030	0	6000	0	6000	394000	\$185,000,000	\$2,350,000	\$0	\$0	\$189,350,000	103250	3443	\$3,125,000	\$195,925,000	48
2031	0	6000	0	6000	400000	\$189,000,000	\$2,350,000	\$0	\$0	\$193,350,000	105750	3443	\$3,125,000	\$201,825,000	55
2032	0	6000	0	6000	406000	\$193,000,000	\$2,350,000	\$0	\$0	\$197,350,000	108250	3443	\$3,125,000	\$207,725,000	62
2033	0	6000	0	6000	412000	\$197,000,000	\$2,350,000	\$0	\$0	\$201,350,000	110750	3443	\$3,125,000	\$213,625,000	69
2034	0	6000	0	6000	418000	\$201,000,000	\$2,350,000	\$0	\$0	\$205,350,000	113250	3443	\$3,125,000	\$219,525,000	76
2035	0	6000	0	6000	424000	\$205,000,000	\$2,350,000	\$0	\$0	\$209,350,000	115750	3443	\$3,125,000	\$225,425,000	83
2036	0	6000	0	6000	430000	\$209,000,000	\$2,350,000	\$0	\$0	\$213,350,000	118250	3443	\$3,125,000	\$231,325,000	90
2037	0	6000	0	6000	436000	\$213,000,000	\$2,350,000	\$0	\$0	\$217,350,000	120750	3443	\$3,125,000	\$237,225,000	97
2038	0	6000	0	6000	442000	\$217,000,000	\$2,350,000	\$0	\$0	\$221,350,000	123250	3443	\$3,125,000	\$243,125,000	104
2039	0	6000	0	6000	448000	\$221,000,000	\$2,350,000	\$0	\$0	\$225,350,000	125750	3443	\$3,125,000	\$249,025,000	111
2040	0	6000	0	6000	454000	\$225,000,000	\$2,350,000	\$0	\$0	\$229,350,000	128250	3443	\$3,125,000	\$254,925,000	118
2041	0	6000	0	6000	460000	\$229,000,000	\$2,350,000	\$0	\$0	\$233,350,000	130750	3443	\$3,125,000	\$260,825,000	125
2042	0	6000	0	6000	466000	\$233,000,000	\$2,350,000	\$0	\$0	\$237,350,000	133250	3443	\$3,125,000	\$266,725,000	132
2043	0	6000	0	6000	472000	\$237,000,000	\$2,350,000	\$0	\$0	\$241,350,000	135750	3443	\$3,125,000	\$272,625,000	139
2044	0	6000	0	6000	478000	\$241,000,000	\$2,350,000	\$0	\$0	\$245,350,000	138250	3443	\$3,125,000	\$278,525,000	146
2045	0	6000	0	6000	484000	\$245,000,000	\$2,350,000	\$0	\$0	\$249,350,000	140750	3443	\$3,125,000	\$284,425,000	153
2046	0	6000	0	6000	490000	\$249,000,000	\$2,350,000	\$0	\$0	\$253,350,000	143250	3443	\$3,125,000	\$290,325,000	160
2047	0	6000	0	6000	496000	\$253,000,000	\$2,350,000	\$0	\$0	\$257,350,000	145750	3443	\$3,125,000	\$296,225,000	167
2048	0	6000	0	6000	502000	\$257,000,000	\$2,350,000	\$0	\$0	\$261,350,000	148250	3443	\$3,125,000	\$302,125,000	174
2049	0	6000	0	6000	508000	\$261,000,000	\$2,350,000	\$0	\$0	\$265,350,000	150750	3443	\$3,125,000	\$308,025,000	181
2050	0	6000	0	6000	514000	\$265,000,000	\$2,350,000	\$0	\$0	\$269,350,000	153250	3443	\$3,125,000	\$313,925,000	188
2051	0	6000	0	6000	520000	\$269,000,000	\$2,350,000	\$0	\$0	\$273,350,000	155750	3443	\$3,125,000	\$319,825,000	195
2052	0	6000	0	6000	526000	\$273,000,000	\$2,350,000	\$0	\$0	\$277,350,000	158250	3443	\$3,125,000	\$325,725,000	202
2053	0	6000	0	6000	532000	\$277,000,000	\$2,350,000	\$0	\$0	\$281,350,000	160750	3443	\$3,125,000	\$331,625,000	209
2054	0	6000	0	6000	538000	\$281,000,000	\$2,350,000	\$0	\$0	\$285,350,000	163250	3443	\$3,125,000	\$337,525,000	216
2055	0	6000	0	6000	544000	\$285,000,000	\$2,350,000	\$0	\$0	\$289,350,000	165750	3443	\$3,125,000	\$343,425,000	223
2056	0	6000	0	6000	550000	\$289,000,000	\$2,350,000	\$0	\$0	\$293,350,000	168250	3443	\$3,125,000	\$349,325,000	230
2057	0	6000	0	6000	556000	\$293,000,000	\$2,350,000	\$0	\$0	\$297,350,000	170750	3443	\$3,125,000	\$355,225,000	237
2058	0	6000	0	6000	562000	\$297,000,000	\$2,350,000	\$0	\$0	\$301,350,000	173250	3443	\$3,125,000	\$361,125,000	244
2059	0	6000	0	6000	568000	\$301,000,000	\$2,350,000	\$0	\$0	\$305,350,000	175750	3443	\$3,125,000	\$367,025,000	251
2060	0	6000	0	6000	574000	\$305,000,000	\$2,350,000	\$0	\$0	\$309,350,000	178250	3443	\$3,125,000	\$372,925,000	258



Year	AF to SDCWA	1st 60 KAF to CVWD	2nd KAF CVWD or MWD	Total new AF transferred	San Diego Cumulative Total	San Diego Revenue	CVWD Cum 1st KAV	CVWD Revenue 1st 50 CVWDNET KAV	CVWDNET Cum 2nd KAV	CVWDNET Revenue 2nd 50 KAV	Total Gross Revenue to MD from all sources	Acres needed if all conservation thru following	Acres out due to city growth for purchase land @ \$2500/acre	ED Cost to purchase land for following 50 acres	Net Revenue Purchased	Net Revenue purchase at \$250
2060					200000	\$59,800,000	50,000	\$1,750,000	50,000	\$4,400,000	\$65,950,000	75000	18154	\$0	\$59,800,000	\$65,950,000
2061					200000	\$59,400,000	50,000	\$1,750,000	50,000	\$4,350,000	\$65,500,000	75000	18467	\$0	\$59,400,000	\$65,500,000
2062					200000	\$59,200,000	50,000	\$1,750,000	50,000	\$4,300,000	\$65,300,000	75000	18780	\$0	\$59,200,000	\$65,300,000
2063					200000	\$58,800,000	50,000	\$1,700,000	50,000	\$4,250,000	\$64,800,000	75000	19083	\$0	\$58,800,000	\$64,800,000
2064					200000	\$58,400,000	50,000	\$1,700,000	50,000	\$4,200,000	\$64,400,000	75000	19406	\$0	\$58,400,000	\$64,400,000
2065					200000	\$58,200,000	50,000	\$1,700,000	50,000	\$4,250,000	\$64,150,000	75000	19719	\$0	\$58,200,000	\$64,150,000
2066					200000	\$57,800,000	50,000	\$1,700,000	50,000	\$4,200,000	\$63,700,000	75000	20032	\$0	\$57,800,000	\$63,700,000
2067					200000	\$57,400,000	50,000	\$1,650,000	50,000	\$4,200,000	\$63,300,000	75000	20345	\$0	\$57,400,000	\$63,300,000
2068					200000	\$57,200,000	50,000	\$1,650,000	50,000	\$4,150,000	\$62,800,000	75000	20658	\$0	\$57,200,000	\$62,800,000
2069					200000	\$56,800,000	50,000	\$1,650,000	50,000	\$4,100,000	\$62,150,000	75000	20971	\$0	\$56,800,000	\$62,150,000
2070					200000	\$56,400,000	50,000	\$1,650,000	50,000	\$4,150,000	\$61,800,000	75000	21284	\$0	\$56,400,000	\$61,800,000
2071					200000	\$56,200,000	50,000	\$1,650,000	50,000	\$4,100,000	\$61,450,000	75000	21597	\$0	\$56,200,000	\$61,450,000
2072					200000	\$55,800,000	50,000	\$1,600,000	50,000	\$4,050,000	\$61,000,000	75000	21910	\$0	\$55,800,000	\$61,000,000
2073					200000	\$55,400,000	50,000	\$1,600,000	50,000	\$4,000,000	\$60,600,000	75000	22223	\$0	\$55,400,000	\$60,600,000
2074					200000	\$55,200,000	50,000	\$1,600,000	50,000	\$3,950,000	\$60,350,000	75000	22536	\$0	\$55,200,000	\$60,350,000
2075					200000	\$54,800,000	50,000	\$1,600,000	50,000	\$3,900,000	\$60,000,000	75000	22849	\$0	\$54,800,000	\$60,000,000
2076					200000	\$54,400,000	50,000	\$1,600,000	50,000	\$3,850,000	\$59,650,000	75000	23162	\$0	\$54,400,000	\$59,650,000
											\$96,586,867					\$96,586,867



REVIEW OF THE DRAFT EIR/EIS FOR THE PROPOSED IID WATER CONSERVATION AND TRANSFER PROJECT: ENVIRONMENTAL JUSTICE IMPACT ANALYSIS

ENVIRONMENTAL JUSTICE IMPACTS OF FEDERAL PROJECTS

Executive Order 12898, was signed by President Clinton on February 11, 1994. EO 12898 directs *"Federal agencies to take the appropriate and necessary steps to identify and address disproportionately high and adverse effects of Federal projects on the health or environment of minority and low-income populations to the greatest extent practicable and permitted by law."* However, the further objective of the EO is to enhance the provision of nondiscrimination in Federal programs affecting human health and the environment by promoting meaningful opportunities to access of public information and participation in matters relating to minority and low-income populations.

Therefore, the intent of EO 12898 is to identify the potential for disproportionate impacts to minority and/or low-income populations as a result of a Federal project like the IID water transfer, and then to provide informational outreach to these populations to make them aware of the potential impacts and to involve them in the decision process and evaluation of potential alternatives. The reasoning behind this informational outreach is to involve populations that have historically been disenfranchised from the standard public informational process. The Federal policy recognizes that low-income and minority populations have a right to information regarding these Federal projects, but do not have the same access or may have language, transportation, education or other obstacles that make it difficult for them to participate in the public information and planning process.

The Environmental Justice (EJ) analysis should not be limited in focus to low-income/minority "communities" only, although this is a common misconception. Indeed the EJ analysis is not limited to a specific minimum threshold level of population impacts and may be found when a very small low-income/minority population is impacted whether or not that population would be readily defined as a community. Part of this misconception has been generated by analysis of Federal project impact areas that are usually defined as adjacent to or the general area surrounding a proposed Federal project. However, the proposed IID water transfer is not a specific localized project, but rather a regional project with potential impacts to the greater Imperial Valley economy.

CIC RESEARCH COMMENTS ON THE DRAFT EIR/EIS ENVIRONMENTAL JUSTICE IMPACT ANALYSIS

3.15 Environmental Justice

- 1) The Draft EIR/EIS Environmental Justice analysis employed a census tract impact methodology, based on physical proximity to the proposed project. Based on this definition (i.e., census tracts) the study identified low-income and minority communities as areas which were represented by above and below average percentage comparisons to the countywide average ethnicity and income, respectively.

- 2) In general the Environmental Justice impact analysis concluded that no EJ impact would occur disproportionately to any one specific low-income/minority community because the project impacts are countywide and not community specific (i.e., census tract specific). Further the study concludes that the impacts would likely occur throughout the region, therefore, low-income/minority communities would not be disproportionately impacted.
- 3) Further the study concluded that even though the worst case loss of farm employment is 1,400 jobs this would only represent 2.8 percent of the countywide employment (48,900). Therefore, it would not be a significant impact. Even within the farm employment sector the loss of 1,400 jobs would represent only 12 percent of the county's total farm jobs.
- 4) The Draft EIR/EIS states, "However, farm laborers could be affected as a group by fallowing activities and on-farm irrigation system conservation measures, which would reduce the demand for farm labor in some areas."

CIC Research Comments To The Consultant's Findings.

The census tract/community impact analysis performed by the Consultant for this project is not an appropriate methodology. The Consultant has misinterpreted the environmental impact criteria of EO 12898 as only pertaining to a "community" and that these communities can be defined by census tracts. The Consultant has also misapplied the impact of a region-wide Federal project as if it were a community-level project. In so doing the Consultant has ignored the region wide socioeconomic impacts and fails to address the potential for disproportionate impacts to the low-income and minority population throughout the Imperial Valley economy.

The proposed IID water transfers are a regional project with region-wide effects on employment loss. The Consultant has correctly identified the 48,900 countywide jobs. However, the appropriate measure of disproportionate impacts would have focused on the resulting 1,400 lost agricultural jobs identified by the Consultant and whether this employment loss would disproportionately affect low-income and/or minority households compared to the countywide population.

The census data clearly indicates that agricultural workers in general represent significantly higher proportions of low-income and/or minority households than the county's average employee/household characteristics. Therefore, a disproportionate Environmental Justice impact is likely. Indeed the Consultant states:

"However, farm laborers could be affected as a group by fallowing activities and on-farm irrigation system conservation measures, which would reduce the demand for farm labor in some areas. This effect would not disproportionately affect a specific community or area but could affect farm laborers, which are predominantly minority and low-income, as a population group."

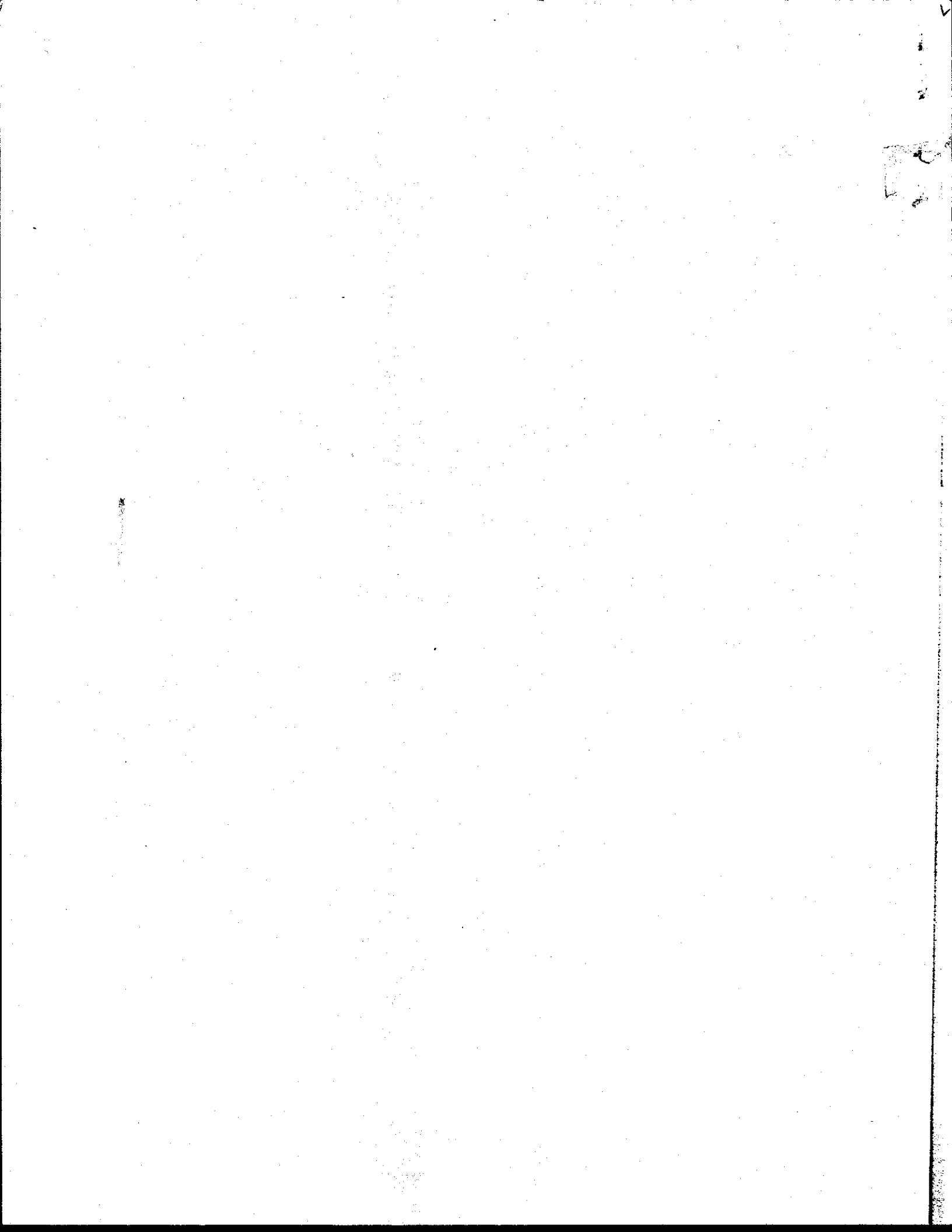
The Consultant has clearly recognized that the predominate impacts of the water transfer program would be to minority and low-income farm laborers. However, the Consultant has inappropriately dismissed these impacts because the impacted low-income and/or minority population doesn't live in a specific community within the Imperial Valley. The correct

application and study conclusion using EO 12898 is that the water transfer program results in a disproportionate impact to the low-income and minority population of the Imperial Valley.

When Environmental Justice impacts are found, then Federal Government policy guidelines require significant outreach to the low-income and/or minority population. This outreach should begin very early in the study phase in order to inform the potentially affected low-income and minority populations of the proposed project, including proposed project alternatives. The informational outreach to this population should be conducted in a way that is conducive to their inclusion in the decision and planning process, including in a language, time, and place that is convenient to them.

Overall Environmental Justice Review Findings.

In general the Environmental Justice analysis performed by the Consultant is superficial and inappropriately applied. Specifically, the community-level impact analysis was inappropriate for this project. The Consultant on the Draft EIR/EIS for the Proposed IID Water Conservation And Transfer Project should redo the Environmental Justice analysis based on the potential region wide disproportional impacts to minority and low-income households resulting from the water transfer program. Furthermore, the Consultant should then provide recommendations for informational outreach to the impacted population and possible mitigation measures.



Farm Bureau Conservation Plan

I. Plan Goals & Features

- A. No Water Allocation to Farmland
- B. No Long Term Farm Contracts
- C. Completely Voluntary
- D. All Fields are Eligible to Participate
- E. No Incentive to Fallow or Farm Less
- F. Maximize Utilization of IID's Available Water
- G. No Debt to Finance Conservation Improvements
- H. Conserve and Transfer Water to Comply with Our Commitments

II. Plan Components

- A. System improvements (including multipurpose lateral interceptors with mid-lateral reservoirs where needed) to capture canal spills and permit farmers to reduce tailwater.
- B. A positive, voluntary incentive program to increase farms' water use efficiency by reducing tailwater (with meters where needed) and reducing infiltration on fields with the highest infiltration rates.
- C. Implementing special conservation projects where practical.
- D. Utilizing research and extension to help farmers identify and implement more efficient and effective water use practices to get the most efficiency and production from the available water.
- E. A Debt Avoidance / Inadvertent Over-Run Avoidance Program administered by IID
 - IID would acquire control (by lease, purchase or option) of enough farmland to keep IID's total water use (including transfers) within its 3.1 MAF Colorado River entitlement, and to help provide funds to implement its conservation program without incurring debt, either public or private.

Expenditure Priorities

- A. Debt Avoidance / Inadvertent Over-Run Avoidance Program & current administrative expenses (including current necessary environmental mitigation)**
- B. IID System Improvement Projects**
- C. On-Farm Incentive Program including Metering**
- D. Deferred Overhead (transfer prep, legal, EIR/EIS, environmental mitigation, lost sales, etc.)**
- E. System Maintenance Catch-up (repair / maintenance of existing delivery system)**
- F. Special Conservation projects**
- G. Research and Extension (to help farmers choose & implement effective conservation practices)**

The plan components might be implemented as follows:

The Debt / IOR avoidance program would be implemented by requesting bids and evaluating them based on the acre foot cost of the expected water yield. The best offers would be accepted. IID's total use would be kept at its maximum without exceeding its entitlement.

The farm incentive program would be developed, modified and administered by a qualified group so as to use the funds available to obtain the maximum amount of conservation. The programs developed should adhere to principles such as: effective, simple, low administration & overhead, fair, flexible, etc.

Special conservation projects could include on-farm projects which would not be feasible under the on-farm incentive program, but would provide cost-effective and predictable conservation. Many of these might also be selected from bids.

Funds Utilization

Based on a sample spreadsheet showing how transfer revenues for the first 20 years might be used in accordance with the specified priorities, some projects would have to be deferred for several years due to limited availability of funds.

Price re-determination was not taken into account.

Possible features of on-farm conservation program

1. Establish TARGETS for tailwater at appropriate levels: to obtain needed conservation and treat fairly the different crops and irrigation methods.
2. Incentive payments would be a percentage of the charge for the water used for the irrigation. (An incentive payment equal to \$15 / AF of delivered water might amount to about \$150 / acre foot for water conserved; & if 5 ac. ft. were used per year, an 80 acre field could earn about \$6,000 in incentive payments.)
3. Consider as tailwater any infiltration which exceeds established Evapo-Transpiration for the crop PLUS a generous leaching allowance (maybe 30%).

Following is a list of some problems that would be created by the IID-proposed conservation plan which would be avoided by this alternative plan:

1. Not Voluntary
 - a) Non-Participants are involuntarily bound by same allocation & pay-back, only without any money.
2. Pays the bulk of the money to those least likely to affect conservation—including absentee landowners—with no efficiency requirements
3. Encourages reduced farming by paying landowners to withdraw water from the land.
4. Requires binding, complex, long-term contracts recorded against the land
5. Imposes a permanent restrictive water allocation program on all farms
6. Uses an unjust & unfair basis for allocation
 - a) Rewards inefficient past use
 - b) Rewards those who disregarded IID's water conservation policies
7. It establishes an industrial-type water use & pay-back system for an agriculture with uncontrollable and unpredictable use characteristics
 - a) Farmers will have to budget their water, IID will be the enforcers
 - b) Farmers will need to under-use, or pay extra for water to finish crops
 - c) Will be sending unused water to junior right-holders free
8. Contains an undefinable "no-fallowing" clause.
9. Takes away water rights and value from District lands with low or no usage during a short, recent historical period.

**FARM BUREAU CONSERVATION PLAN
FUNDS USE
SAMPLE**

Dollars in Millions

Year	Revenues	Debt / IOR Avoidance	Current Admin	IID System	New Sys maint	On-Farm Incentive & Meters	Enviro. Mitigation & Deferred Overhead	System Maint Catch-up	Special Cons Proj's	Re-search & Extension	Balance	Year
A	B	C	D	E	F	G	H	I	J	K	L	M
1	5	-5									0	1
2	10	-6	-2	-2							0	2
3	16	-7	-1	-8							0	3
4	23	-8	-2	-13							0	4
5	31	-9	-2	-20							0	5
6	38	-9	-2	-22		-4	-1				0	6
7	45	-9	-3	-23	-1	-8	-1				0	7
8	54	-9	-3	-23	-2	-14	-2	-1			0	8
9	63	-9	-3	-23	-3	-19	-2	-3	-1		0	9
10	74	-8	-3	-17	-4	-26	-6	-4	-5	-1	0	10
11	77	-7	-4	-9	-5	-31	-6	-5	-8	-2	0	11
12	79	-5	-4		-6	-37	-7	-5	-13	-2	0	12
13	80	-4	-4		-6	-39	-6	-5	-14	-2	0	13
14	82	-3	-4		-6	-39	-5	-6	-17	-2	0	14
15	84	-2	-4		-6	-40	-4	-6	-20	-2	0	15
16	86	-2	-4		-6	-40	-4	-6	-22	-2	0	16
17	87	-2	-4		-6	-40	-4	-6	-23	-2	0	17
18	88	-1	-4		-6	-40	-6	-6	-23	-2	0	18
19	89	-1	-4		-6	-40	-6	-6	-23	-3	0	19
20	90	-1	-4		-6	-40	-7	-6	-23	-3	0	20
	1,201	-107	-61	-160	-69	-457	-67	-65	-192	-23	0	

Assumptions

- Water use without Project would be 3.18 MAF in 2003 (80 KAF more than 3.1 MAF cap)
- IID system expenditures will be used for seepage recovery 1st, then interceptors
- That efficiency improvements will reduce over-run to less than 20 KAF by year 20
- Conservation will be in addition to a gradual increase in crop water use.
- IID delivery system improvements will require \$160 M capital cost
- Environmental mitigation costs will begin in year 6
- Current administration costs will be about 5% of revenues
- Price Redetermination will not reduce revenues during first 20 years

March 18, 2002

**FARM BUREAU CONSERVATION PLAN
ESTIMATED EFFECTS**

Yr	Amount Transferred	Syst Cap Exp	Conserved with		with IID Sys	Conserved on Farm			with Spec'l Proj's	System Cum	On-farm Cum	On-farm plus System Cum	"Other" Conservation	Yr
			inter-ceptors	seepage		Farm Incent Exp	with Farm Incent	Spec Proj Exp						
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	20									0	0	0	20	1
2	40	-2		0						0	0	0	40	2
3	60	-8		3						3	0	3	57	3
4	85	-13		6						9	0	9	76	4
5	110	-20		6						15	0	15	95	5
6	130	-22	10.5		3	-4				25.5	3	28.5	101.5	6
7	150	-23	10.5		6	-8				36	9	45	105	7
8	175	-23	12.5		9	-14	2			48.5	20	68.5	106.5	8
9	200	-23	15.5		11	-19	6	-1		64	37	101	99	9
10	225	-17	10.5		10	-26	15	-5		74.5	62	136.5	88.5	10
11	230	-9	12		10	-31	15	-8	3	86.5	90	176.5	53.5	11
12	235		13.5		11	-37	15	-13	4	100	120	220	15	12
13	240				6	-39	15	-14	6	100	147	247	-7	13
14	245				3	-39	12	-17	6	100	168	268	-23	14
15	250				1	-40	8	-20	7	100	184	284	-34	15
16	255					-40	5	-22	8	100	197	297	-42	16
17	260					-40	3	-23	8	100	208	308	-48	17
18	265					-40	2	-23	8	100	218	318	-53	18
19	270					-40	1	-23	8	100	227	327	-57	19
20	275					-40	1	-23	8	100	236	336	-61	20
21	280					-40		-23	7	100	243	343	-63	21
22	285					-40		-23	7	100	250	350	-65	22
23	290					-40		-23	7	100	257	357	-67	23
24	295					-40		-23	7	100	264	364	-69	24
25	300					-40		-23	6	100	270	370	-70	25

5,170

85

15

70

100

100

Totals

198

Expenditures in \$ Millions in RED (Columns C, F, & H)

Acre Feet of water in 1,000's in BLACK

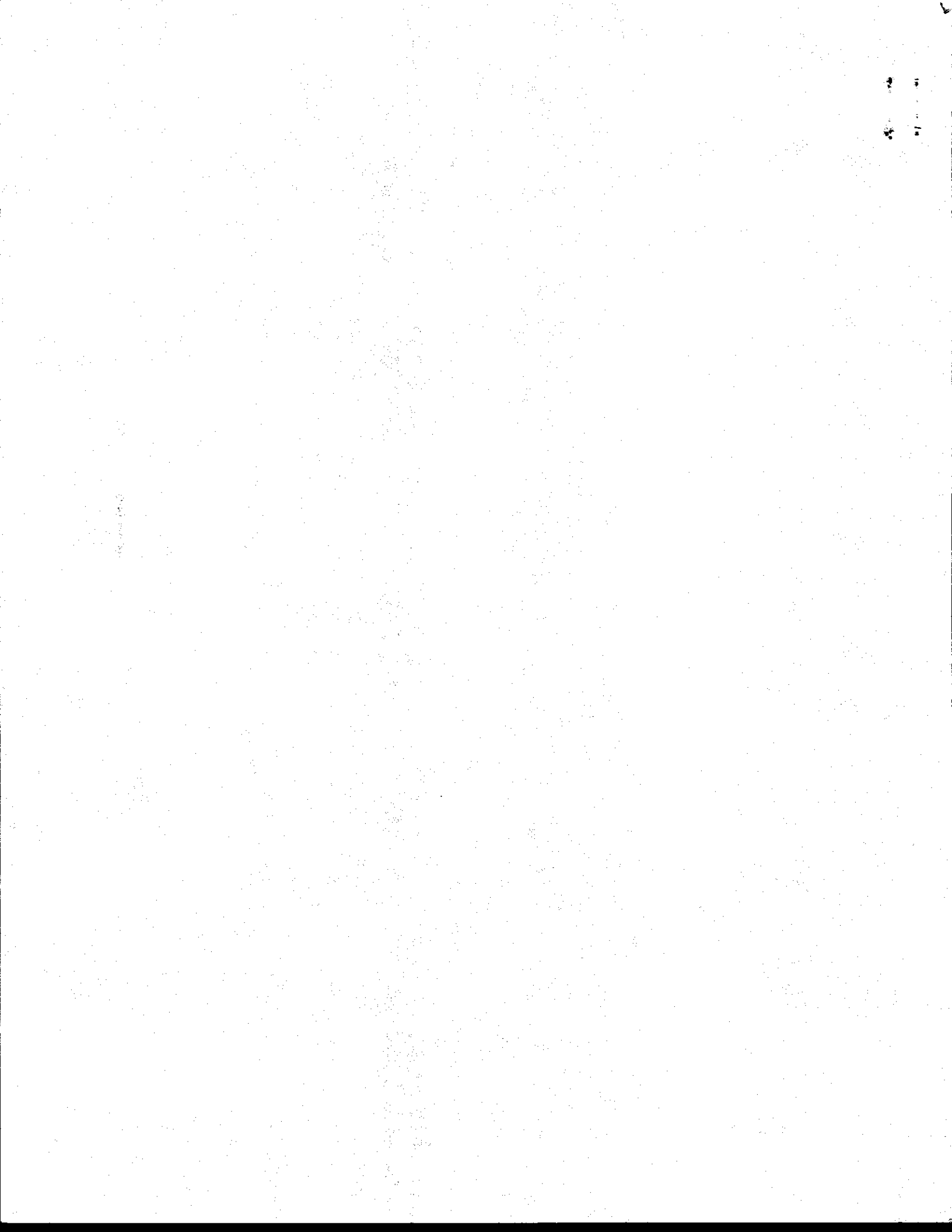
"Other" Conservation does not include amount IID's use would exceed 3.1 MAF without transfer

It is estimated this conservation will result in the following reductions

Canal spills & seepage: -100 KAF

Tailwater: -200 to -210 KAF

Tilewater / deep perc: -60 to -70 KAF



The Bratton Plan ("Defanging the F-word")

Premise: If fallowing is inevitable, let the IID do the fallowing in the name of efficiency and on behalf of the people of the Imperial Valley.

1. The Imperial Irrigation District should lead any fallowing program in the Imperial Valley, rather than simply enabling it.

A) The IID is owned by the people – and that means everybody.

B) The District must satisfy "reasonable and beneficial" provisions of the state water code and the Law of the River.

C) Water marketing, like deregulation of the power industry, is politically dead.

2) Farmland with a history of marginal utility and high water usage should be purchased by the IID and converted to some other job-producing enterprise.

A) A premium should be paid for any land to be fallowed by the District, providing a financial inducement to the landowner.

B) The resulting "wet water" would be available for transfer to the coastal plain; the fallowed land would, in turn, be placed into an economic development zone.

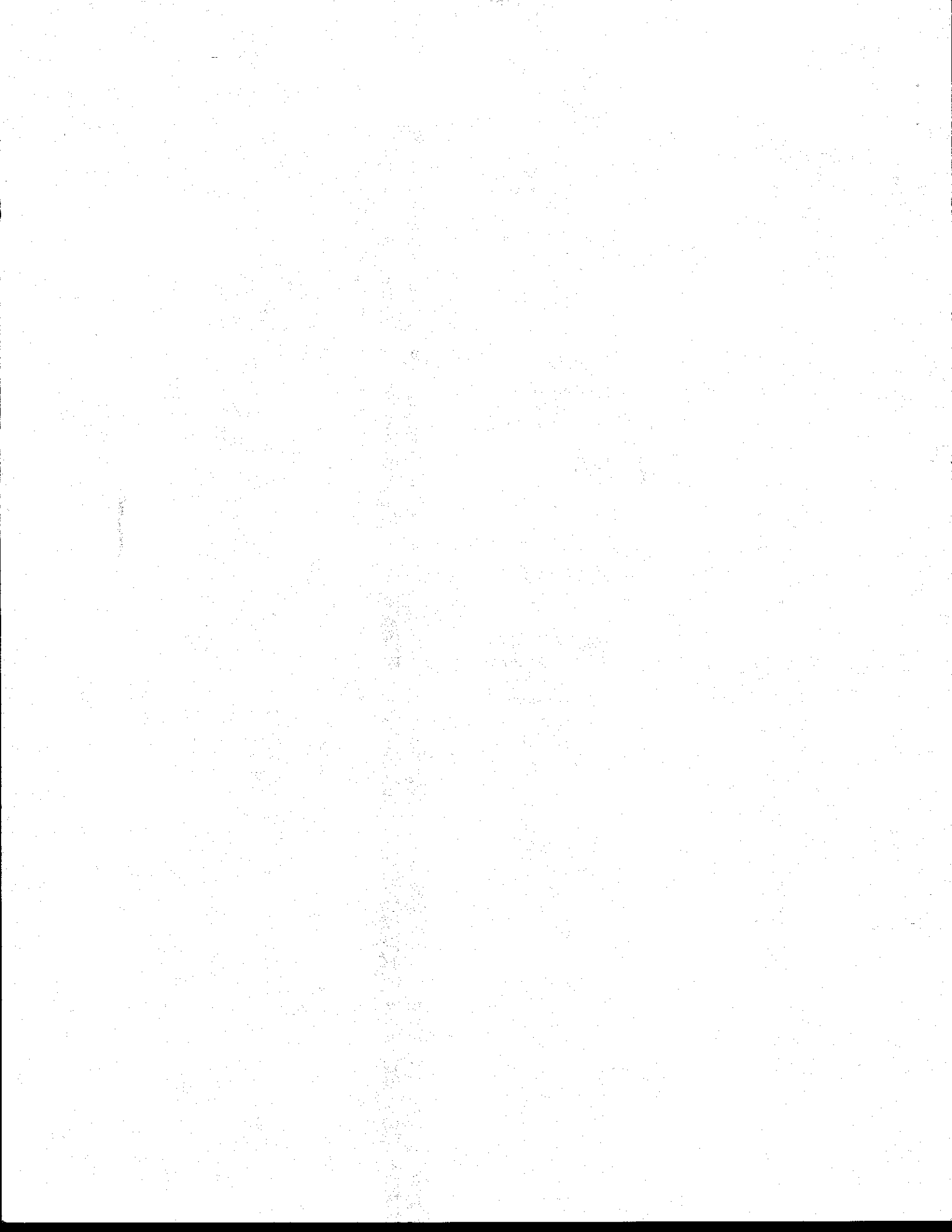
3) It isn't enough to make the Imperial Valley whole after fallowing; instead, it should be made better.

A) Farmers would benefit from lower water rates and the complete elimination of the water availability charge.

B) The community would benefit from job-creation associated with any transfer.

C) The IID would benefit from a program that satisfied its responsibility to use water "reasonably and beneficially."

Conclusion: The above plan is simple, understandable and, more importantly, would preserve local control. The benefits would be broadly distributed to produce the greatest good for the greatest number, which, in the end, ought to be the goal of any fallowing program adopted by the IID.



Minority Report: Water Transfer between Imperial Irrigation District and the San Diego County Water Authority

Ike Adams

Over the past 3 plus years, the Community Advisory Commission has met and been subjected to just about every conceivable presentation on water known to man. We have heard from lawyers, special interest advocates, staff from Imperial Irrigation District, Bureau of Reclamation, State Water Resources, outside state agencies, CH2mHill, and Cliff Hurley. We have seen our membership on the Commission ebb and flow over the years as members have resigned, moved away, or been hired by the SDCWA. In all of this, we have been inundated with pounds and pounds of paper reports, studies, opinions, editorials, news articles, and matrix's; there used to be a forest somewhere..... We have been told we have to do this transfer, we better do this transfer, we can't do this transfer, and we can't afford this transfer. We have been told that both SDCWA and MWD are only after what is best for the Imperial Valley and how all they want to do is be our partner. We have also been told that they are in it for only the water and could care less about the Imperial Valley and that once this is all said and done, they will disappear until they need more water. That may be closer to the truth!

What we are basically left with are 3 choices, all of which could have a profound effect on the Valley. Some will have economic and quality of life issues, even possibly environmental justice issues, while one in particular will call up the spirit and determination of the Valley like no issue has since the debates of the 160 acre issue years ago. The 3 choices are:

On Farm Conservation and Systems Improvements (IID)

Following, either partial or complete

No transfer due to a variety of costly mitigation measures and/or because we just should not do it.

In this minority report, I do not plan to get into minute details of each of the choices. If someone wants to dig out all the details, they can read the reports we were given the EIR/EIS (which was very deficient in many areas), and/or the Economic Study the CAC had done.

One final note before I do my attempt at analyzing the different alternatives. This has been a bone of contention with me from almost the beginning. In all these presentations and approaches, it has been said over and over again that we are sending conserved water to SDCWA. That is not true. We are sending them diverted water; it is water that never makes it to the Imperial Valley. It is diverted at the tap, at the California Aqueduct, where MWD transfers it down to San Diego. We will be left to farm and live on what remains. We have to do the conservation in order to maintain approximately what we have now as far as farming and the rest of our economy. And also to take care of our own economic development that all of our communities are working towards.

On Farm Conservation and Systems Improvements (IID)

There have been discussed, and practiced in the farming community, several ways at on farm conservation. Pump Back systems, Dead Level farming, and different cropping patterns, to name just a few. IID has funded some studies on both the Pump Back and Dead Level and it appears that the Pump Back may be the most efficient of the two, but also possibly the most costly. Cropping pattern changes basically means stop growing water intensive crops and move to more water efficient crops. Problem with that may have something to do with the fact that economic markets may preclude the ability to make a profit at times in these types of crops. Although some would argue that nothing, up until our recent lettuce market bonanza, has been profitable for farming, we should just let the free market system take care of how many acres are farmed and by whom.

The overall problem with these on farm measures has centered on cost and return on investment. Though the EIR/EIS addresses, in a small degree and factually incorrect, this issue, our economic study brought the point home loud and clear. It costs more to implement and maintain over the years than what is going to be

returned to the farmers in way of revenue. Most farmers do not have the on hand capital to institute such systems, due mainly that a great many have just been hanging on during some pretty tough economic times. There are some operations, the very large ones, which may have the resources. If any farmers have to try and secure financing, it may be tough because the numbers to make it a profitable venture are not there and bankers tend to shy away from lending money to losing ventures. They can borrow against any equity they may have in their land, but they still have to pay it back and revenues from the transfer will not pay that debt plus ongoing maintenance so they will have to pay out of operational income. The way things have gone in farming, that income is pretty stretched as it is, so it may be a question of who does not get paid. Overall, from an economic and investment angle, it just does not make sense to put in systems that either do not pay for themselves or make you money. That does not mean that the farmers can't improve their irrigation systems so as to enable them to require less water or to try and find more efficient cropping patterns that meet economic need criteria for farmer to stay in business. It should be everyone's business, including the farmer, to always look to ways to conserve and better use any natural resource of which water is a natural resource.

The Imperial Irrigation District had secured funding from the State of California to help defray costs of lining the All American Canal. When Governor Davis ran out of electricity to run all the sprinkler systems throughout the State last summer, he took the money set aside for this IID project and used it buy more expensive power. We have been told it is back in our pockets, but now with a condition. We have to sign on to the Quantitative Settlement Agreement (QSA) that all the other Colorado Basin States have agreed to, which encompasses the IID/SDCWA Water Transfer. So if there is no transfer, there is no QSA, and then there is no money any longer, even though the money, as I understand, was in there originally before the QSA was hatched. The QSA puts California on a quota of 4.4 acres feet per year as their draw from the Colorado River, but some estimates say it is really 4.1, and others approach it that it would be like 3.1 for the IID after everyone gets their share. There are also areas that address how the different states would handle allocation in a drought year and a surplus year.

Another area of conservation by the district is by way of interceptors that I do not fully understand; really I do not understand it at all. But between the lining and the interceptors, IID could save some water "in house" that would help in the overall amounts needed for the program. Between what would come by way of State money and IID's share of transfer funds, they should be ok as far as funding. Of course, if there were no transfer, then IID would have to do conservation funding within its capital budget yearly.

The real loser in this scenario is the Salton Sea, which provides some recreational activity for us Valley residents and visitors, as well as residents of the Sea area specifically. The ecosystems would begin to deteriorate at a more rapid rate, as the level of the sea would drop due to less water runoff going into the Sea, the quality of the water that did make it to the Sea would be of a much more toxic and have a higher salinity level as presently flows, exposed shorelines would possibly create a dust problem (greater than we now have), and fish and wildlife populations would no doubt decrease. Property values of residents and commercial enterprises around the Sea would be adversely affected due to a lessening of viability of the Sea. At some point in time, and it may take a long time, we might be looking at many problems with the Sea as we have continued to encounter with the New River; it has been pointed out that Selenium levels would increase to dangerous levels. There may be funds available from the State and Federal Government to help in this area, but how are you going to get more and better quality water into the Sea? Neither San Diego nor Los Angeles cares that much about the Sea, whether it lives or dies. They certainly will not give up any of their water to save it! So what is the answer? In this scenario, I am not sure there is an answer other than watch it die. This also would open up the door for environmentalist and their lawyers to file lawsuits against the IID for the damage to fish, wildlife, and air quality, just to name a few causes.

Employment levels would seemingly remain unchanged and effects on ag related businesses would continue on unaffected for the most part, although some areas might see an increase in sales, i.e. irrigation systems sales.

Following, either partial or total

Here is that terrible 'F' word again. The present agreement specifically prohibits fallowing as a means to achieving the on farm conservation of water. But from a purely economic standpoint, if you are going to have the agreement, some form of fallowing is the only thing that makes sense. I am not saying it is right or without a downside, or that I am in favor of it. They say it costs nothing to fallow, which is really not the truth. The landowner will be getting revenue for not utilizing his ground for farming. He will still have to pay taxes, personal or corporate and property taxes, on the revenue and ground value. He may have other fixed costs that he has encumbered that will have to be paid since he does not have the revenue stream from farming. The long and short is, he may have more net money from fallowing over what he could have reaped from farming, but it will not be a windfall.

My problem with fallowing is it is a slippery slope. What damage does prolonged fallowing have on the condition of the land? How long can you fallow before the ground reverts back to desert? Granted, there is some land that is being farmed in this valley of very poor quality and should not be farmed. But, to the small farmer that has sweated and slaved on that ground over the years to scrap out a living for himself and his family, it could be worth its price in gold. Who is going to sit in judgement and take someone's livelihood away from them so we can divert water over the hill? Absentee landlords that would probably fallow in a minute if it made economic sense to them own much of the ground in the Valley. Some have no ties to the Valley other than the land and it is strictly an economic stream for them. If they are paid to fallow more than what they could get for leasing, they will take the fallowing money and go to the bank. That money will leave the Valley and have no chance to be reinvested into any form of economic development or workforce improvements. And while we are talking about economic development, how much of this fallow money is going to go towards economic development? No one knows and no one knows the mind of the landowner on how they will utilize any 'profits' from fallowing. As a side note, I am against anyone, big or small, making money off of fallowing ground; any excess funds should be used to promote economic development to replace the income lost from not farming.

Fallowing would hit hardest the ones that could stand it the least, the lower income of our Valley. It has been estimated that between 1,000 and 1,500 agricultural workers would lose their jobs. The revenue lost in agriculture has been estimated at around \$175 million. Our Economic Report basically states that although these figures may be lower, that once they are lost, jobs, they are lost. Most of these individuals are unskilled or of limited skills and have little to no education. But they are people who have families, bills to pay, and a quality of life they would like to sustain. Besides the approximate \$175 million in lost agricultural income, the wage spending would go down; they say that payroll dollars turn 7 times before it leaves the valley, so that figure could be significantly higher when looking at entire economic picture. Welfare and unemployment roles would increase which means more demands on government dollars. People would probably be forced to leave the Valley in order to find work. Maybe they would go to the Coachella Valley and help put in more resorts and golf courses, or go to Owens Valley and help MWD put in sprinkler systems to help keep the dust down that they created when they took all of their water. And most economic development will not help these people due to their lack of education and skilled training. Any process for revitalization has got to have an education and training aspect attached to it. In short, we could see a devastating effect on the quality of life of many families as they struggle to find a way out of this problem.

In a trickle down theory, if less acreage is farmed and people are out of work, direct ag related business would be hurt by this economic downturn. Seed merchants, equipment sales, fertilizer/chemical sales, crop dusters, harvesters, and labor contractors would also see the effect of the downsizing. After them, the non-ag related businesses would see a drop; shoe stores, clothing stores, grocery stores, hardware stores, would experience the deceleration of the income stream, not just from farmers, but from the displaced workers. The Cities and County would see a drop in sales tax revenue and there could be an impact to property values of land taken out of production, which could see an impact to tax revenue to hospitals and schools. If families move out of the area, average daily attendance figures at schools would drop which would effect the funds they receive from the state. It has already been stated that jobless benefits such as unemployment and welfare would increase.

There very well may be environmental justice issues that arise from the displacement and infringement on the health and welfare, quality of life, on the lower income for the betterment of the more populous and

affluent metropolitan areas. What has San Diego, or that matter, Los Angeles, done to mitigate the effects of this displacement? Have any of them instituted any growth containment measures in their areas? We know they have not. We are basically funding, by way of water, their growth initiatives and we are doing it on the backs of the people that will be displaced from their jobs or on those that will feel the economic depression of this water transfer. I think the environmental justice area may cause the District some serious legal entanglements should this displacement scenario come about.

Assuming no additional on farm conservation measures on a whole scale basis are instituted by the farmers in conjunction with fallowing, the Salton Sea will probably do all right in this scenario. The water quality would remain about the same as what is flowing in now, but there might be a little less of a flow due to land being taken out of production, so salt levels over a period of time may increase, but it is doing that anyway. Since present law prohibits in some capacity the Sea receiving fallowed water, setting aside additional acreage so that water could flow directly into the Sea is both illegal and would provide more fodder for our thirsty neighbors that already feel we are wasting water. But by keeping things pretty much the same, this would allow time for the Salton Sea Authority to secure funding from State and Federal officials to address the toxicity and salinity problems.

The other issue with fallowing is can it be controlled once it starts? By that is meant, once the water guzzlers find you are willing and can fallow, what is to prevent them wanting more fallowing?

No Transfer

Just don't do it! Sounds simple, and we could probably do it, justifiably in my opinion, but it will take a spirit and a fortitude from the entire Valley as came together in the 1960's when we banded together to fight the 160 acre limitation issue. And please do not think that this whole thing was the brainchild of Dr. Ben Yellen of Brawley! Look deeply into the history and you will find a familiar friend: MWD.

If we backed away from the transfer, there would be an immediate bellowing sound coming from the North and West, MWD and SDCWA. This would also spell an end to the QSA and the directive that we would have to live within our water limits immediately. That is okay because we have not been that abusive in the past, compared to MWD. MWD would lose 600,000 acre feet of water almost overnight because that is how much more they have been taking over what they are entitled to under the existing agreement. They would probably yell and threaten suit, but let them; they are the abusers, not us. That is not to say we could not do a better job of on farm conservation, we probably could. But it should not be forced upon us under threat; it should be part of proper business practices by our farmers to improve their efficiency. It should be paid out of operational income, not going into enormous debt to do it. Same with the IID, they can become leaner and meaner as far as conservation is concerned, and so can the cities. If want to preserve our water and have enough for growth and industry, we better get as good as we can afford. MWD will have to institute controlled growth initiatives in residential, industrial, and recreational use. They will have to do a better job of conservation, using reclaimed water, and maybe even investing in desalination research.

San Diego would have to do much of the same. As was stated recently, this water transfer needs to be recognized at the outset that it is "a growth inducing impact" measure. This is to handle continued growth and expansion, without constriction, for the next 10 years. By the year 2020, it has been estimated that San Diego will need an additional 200,000 acre feet of water to handle their population. They have no slow growth, or even controlled growth, initiatives in place so they are desperate to find the water to accommodate all the projects they have approved. SDCWA is presently selling their water to the 25+/- agencies it supplies at around \$500 an acre foot. They have had a desalination plant operating on and off for the past several years that no one wants to use, so all the water is going into the ocean and it is costing around \$800 an acre foot. Maybe San Diego needs put some money into more technology and get that cost down somemore and force people to use it. More than anything, they are asking us to make all the adjustments while they go on unbridled. San Diego, like MWD, does not care about the Valley, they only act like they do because they want our water, and they do not care how many bodies they have to step over to get it. Or how many people they have to hire in the Valley to do PR work for their cause. We all would see how 'philanthropic' they would be if we do not go through with the transfer.

It has not been shown to me that there is going to be enough revenue to build and maintain on farm conservation without the acceptance of considerable debt on the shoulder of the farmer and his shoulders are pretty well bowed right now. It just does not make economic sense, especially if the only ones that will come out on this deal is SDCWA, MWD, and to a certain degree, the golf and resort business in Coachella Valley. We would very well open ourselves up to an ecosystem tragedy of magnificent proportions and environmental changes that could cause serious health problems if we changed the flow and property makeup of the water flowing into the Salton Sea; dust problems caused by a drop in the sea level could compound an area already hard hit with respiratory ailments. The mitigation measures would be astronomical and if not done, the lawsuits would be equally devastating.

Fallowing has always been done in the Valley, only it has sometimes been called crop rotation or letting land stand idle for a short period of time, let it rest. To purposely and permanently idle ground, whether marginal or not, creates several other problems. It will increase unemployment in an area that is already a leader in unemployment statistics, which would also increase unemployment and welfare costs for the county and the state. It would create an economic disaster as far as income levels for the Valley of up to \$175 million per year in lost revenue; this in a county that has one of the lowest per capita income levels anywhere. People in support industries would be hurt considerably and that could create further unemployment and scale backs in these businesses, some of which might not survive. The lower end of the income ladder would be hardest hit because they would not have the skill or education levels needed to move to a new occupation. Sales taxes would drop, as well as property taxes would drop on the land taken out of production and rendered useless. Special districts would be hurt due to drops in property tax revenue and when families move out of the area, schools would be hurt on average daily attendance income.

The part about fallowing that bothers me is when do you stop? When the SDCWA and MWD come back for more water, and they will be back, they will use the fact that we fallowed before and we can do it again since we are wasting water, as they say. Listen, we need to realize something: San Diego and Los Angeles will never be convinced that agriculture is a reasonable and beneficial use of water. Half the people that live there think Vons and Albertson's grow their own produce out back behind the store! They will always play their trump card that thirsty people are more important than food and fiber. And they do a better job of getting their message out than we do. Just recently, the MWD in its Annual Report to the California State Legislature stated they had invested millions of dollars in the Imperial Valley to curb the wasteful use of water by agriculture. Now, that is not true, but who is disputing it? We know what the truth is, but they don't unless we show them. San Diego and Los Angeles are expanding at record paces and need water to justify the expansion and they want ours. We had better be ready to draw a line in the sand and stand and fight or all we will have is sand!

In order to try and bring some conclusion to this report, we need to take a hard look at this whole issue, from beginning to end. Remember, this is for 75 years, although some people in the community think other measures for water will become economical and the agreement will probably be voided in 40 to 45 years. Desalination will probably be economical enough by then. I have never fully understood why we have had to pay so many millions of dollars for this process and SDCWA is the one that wants the water; why haven't they paid the bulk of costs? Having said that, I have problems with Alternatives 2,3, and 4 due to the following:

1. On farm conservation too costly compared to revenues; would drive farmers into more debt.
2. Salton Sea issues would have a negative impact on environment and health of Valley
3. Fallowing could be economically devastating to the overall economy
4. Environmental justice issues with unequal harm done to lower income people in Valley
5. Money available for economic development and retraining and education unclear
6. Will we have water available for economic development
7. Possible lawsuits if Sea and environment is damaged
8. It will never stop!

To me our only correct and principled choice is Alternative #1, No transfer. It makes the most sense from an overall socioeconomic perspective, health and environment perspective, revenue to cost basis, and an environmental justice perspective. It will take some fortitude to stand up and be counted, to defend our

rights, our economy, our quality of life. What is wrong with that? So we have to live within the limits of our agreement, we can do that. We can get better at what we do over time and when funds permit. We can develop planned development without having to sacrifice any part of our economy or population to get it.

It was often stated that this is a battle akin to David and Goliath and it may very well be. We have fought similar battles in our past and come together and won.

Check your history: David won!

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Signed: 

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