

DEPARTMENT OF WATER RESOURCES

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**DEC 28 2005**

Honorable Mike Johanns
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Avenue, Southwest
Washington, DC 20250-3355

Dear Secretary Johanns:

This letter is in response to your Federal Register request for comments on the scope of a potential 2007 Farm Bill. We appreciate being provided the opportunity to submit comments. Our comments focus on three of the areas described in the Federal Register notice – achievement of conservation and environmental goals, enhancement of rural economic growth, and research.

The responsibilities of the California Department of Water Resources include guiding the development and management of the State's water resources and protecting and restoring the related natural and human environments. Promoting integrated regional water management and fostering regional partnerships among water users is part of our vision for the future of California water management. We believe that the Farm Bill offers important tools that can help agricultural producers fully participate in regional solutions to water quality and quantity challenges. Farm Bill reauthorization provides the opportunity to expand use of existing tools and to add new tools that can aid in improving water management. We summarize these opportunities below.

Conservation Programs

The success of existing U.S. Department of Agriculture (USDA) programs such as the Conservation Reserve Program, Wetlands Reserve Program, Conservation Reserve Enhancement Program (CREP), and Wetlands Reserve Enhancement Program (WREP) is demonstrated by their wide popularity. However, existing Farm Bill acreage caps and funding authorization limitations prevent these programs from being fully utilized. We support and recommend expanding the use of these programs in the 2007 Farm Bill. In particular, we recommend the removal of a per-state cap on CREP acreage. States with substantial agricultural acreage, such as California, have multiple locations where CREPs could be an effective management tool. Likewise, we recommend that the Secretary of Agriculture be given explicit statutory authority to target and prioritize enrollment of lands in a CREP or WREP, to better be able to accomplish the objectives for which a CREP or WREP is established.

We support existing Environmental Quality Incentives Program (EQIP) priorities for nonpoint source pollution control, and would emphasize that control and management of agricultural drainage should explicitly be part of those national priorities and be eligible for federal financial support. As suggested in the Federal Register notice, we believe that there should be a direct linkage between provision of federal benefits and improved water quality. We also believe that special emphasis should be placed on controlling naturally occurring contaminants--salt and selenium, for example, in California--that are introduced into the aquatic environment through farming practices. Unlike regulated agricultural chemicals, there are limited administrative controls for

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managing the introduction of naturally occurring contaminants into waterways. It is important to recognize that salt is the single most common water pollutant in the western United States, and one that can have serious impacts on continued agricultural productivity and water treatment costs for downstream urban communities. We urge that Farm Bill reauthorization take explicit account of regional or basin-wide benefits of agricultural drainage salinity control projects in allocation of federal financial support.

We also feel that the federal government has a particular responsibility for supporting achievement of water quality standards in interstate and international waters whose quality is impaired by agricultural drainage, and recommend that this be added as an explicit EQIP national priority. Congress has recognized the unique nature of interstate/international water resources in its enactments of Public Laws 93-320 and 98-569 establishing the Colorado River Salinity Control Program. Fully implementing this program to reduce hundreds of millions of dollars in estimated annual salinity-related damages is a priority for California's agricultural and urban users of Colorado River water. Continuing funding and implementation of program features is necessary to continue to meet water quality standards within the United States, as well as international treaty obligations to Mexico.

We recommend expansion of EQIP's surface and groundwater conservation program to meet agricultural producers' high level of interest in participating. The expanded program should be national in scope (as opposed to its original geographic limitations). The existing requirement that participants in the program achieve a net reduction only in water use on their operating unit (on-farm water use reduction) should be modified to emphasize that there must be a reduction in total water use with respect to cumulative impacts on ground and/or surface water supplies (e.g. analysis on a water district-wide or regional level of impact, not on a single farm unit level of impact). Likewise, the existing requirement that on-farm net savings are not transferable needs to be relaxed to allow for voluntary management of the resource at a broader geographic level, as above.

We recognize that Farm Bill programs have traditionally focused on assisting individual producers in continuing in the business of farming. Within this context, however, there needs to be recognition that individual producers interact with and affect natural resources management areas that extend beyond the boundaries of an individual farm unit. Farm Bill reauthorization must provide the authority/flexibility for producers to work with and through entities such as state agencies, local water agencies, and resource conservation districts to achieve regional conservation goals, while still being eligible for federal financial assistance. Examples of regional activities that assist producers to continue farming can include agricultural water conservation, drainage management, compliance with total maximum daily load requirements, or floodplain management. Relatedly, Farm Bill reauthorization should provide explicit authorization for funding state agencies, local water agencies, and resource conservation districts to work with producers to help them develop regional plans for addressing the resource management challenges that are important in their areas. These other governmental entities may have available funding that can be used to match federal funds, much as is done in the CREP and WREP programs.

Rural Development Programs

Experience has consistently shown that the water systems--public or private--serving small rural communities are typically at risk in multiple ways including ability to comply with Safe Drinking Water Act requirements, lack of reliable groundwater resources, inadequate drought preparedness, and exposure to groundwater contamination. These systems usually lack the financial base and staff resources needed to upgrade their facilities, and are often sufficiently distant from larger water agencies to make connection to a larger system infeasible. We recommend that the proposed 2007 Farm Bill authorize a greater level of appropriations than that provided in the 2002 Farm Bill for the emergency community water assistance grant program, which is often the provider of last resort for financially insolvent small rural systems. We likewise recommend expansion of authorized funding for the water and waste disposal loan and grant program, which is targeted to water systems serving small, economically disadvantaged communities that have minimal ability to finance necessary infrastructure.

Similarly, we recommend that Farm Bill reauthorization explicitly authorize the Rural Utilities Service (RUS) to fund state agencies to provide assistance, including construction of new water wells and destruction of abandoned wells, to rural water systems facing water supply problems. Most small rural water systems rely on groundwater sources. When their wells run dry or become contaminated, many systems lack the staff resources and technical expertise needed to evaluate hydrogeological conditions, alternative supply sources, and new source development. We view the specialized expertise in groundwater development and management that states can provide as being complementary to existing nonprofit organizations' rural circuit rider programs that focus on operator training programs and water treatment regulatory compliance assistance. We thus also support continued funding for the rural circuit rider programs.

Research

We suggest that a new Farm Bill include authorization of basic and applied research in the following areas:

- ▶ Development of long-range weather forecasting capabilities that would allow producers and water suppliers to make cropping and water management decisions well in advance of growing seasons, to maximize efficient use of available resources.
- ▶ Development and application of regional and watershed-scale models for assessing impacts of climate change on temperature and precipitation. Presently available information suggests that climate change would lead to warmer conditions in many areas, resulting in increased crop evapotranspiration and hence potentially increased crop water needs.

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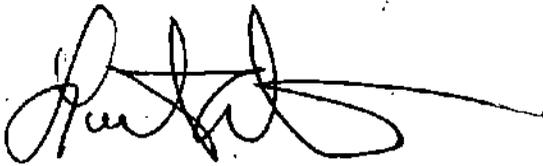
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- ▶ Evaluation and development of weather modification technologies, both for water supply augmentation and for hail suppression, and performance of demonstration projects to rigorously assess weather modification's effectiveness.
- ▶ Development of cost-effective treatment (including pretreatment) technologies for agricultural drainage water, focusing particularly on salt, selenium, nitrogen, and phosphorus, and including full-scale demonstration projects.
- ▶ Development of cost-effective agricultural water conservation technologies, including full-scale demonstration projects.

Thank you for the opportunity to submit comments on the potential 2007 Farm Bill. We look forward to working with USDA on activities to improve California water management. If your staff have any questions on these comments, they may contact Jeanine Jones at (916) 653-8126.

Sincerely,



Lester A. Snow
Director

cc: Mr. Ed Burton, State Conservationist
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