



Why Are Dues Going Up to \$4 an acre?

As expected, we are hearing from members who are not pleased with the dues increase from \$2 to \$4 an acre. As an organization made up of growers and managed by growers, we fully understand the frustration with the increasing costs of complying with regulations from any program, not just the Water Board programs. The ESJWQC Board of Directors is charged with keeping the coalition economically viable and operating the most cost-effective organization possible. For three years preceding the vote in August to increase dues, the Board has wrestled with how to deal with rapidly depleting budget reserves and increasing program costs. After the loss of 100,000 acres of dairy farmland in 2008, program expenditures have exceeded income from membership dues for each subsequent year.

Cost increases over the last five years have been driven by three major factors:

- Multiple pesticide exceedance in 24 coalition waterways prompted development of management plans for each of those watersheds;
- Management plans increase costs through additional requirements for water monitoring, member outreach and reporting to the Water Board;
- The Water Board mandated that more waterways be monitored beginning in 2008 since data gathered from 2005 showed pesticide problems to be widespread in the limited number of sites initially studied in the coalition region.

The State Water Board fee increase from 12 cents per acre to 56 cents per acre in 2012 added significantly to those increasing program costs over the last four years. Reserves built up from the early years of coalition operation were depleted in the last three years, leaving ESJWQC board members with little option but to raise dues to cover the lost acreage and increased operational costs.

Still unknown is the cost for implementing the new groundwater regulations expected to be in place in 2013. We do know an initial major expense will be preparing the groundwater assessment report. This report will easily cost \$100,000 and could be higher. The report is a compilation of all existing groundwater data in our region from multiple sources, an assessment of the data to identify low and high vulnerable farming areas and a plan for a

network of wells to use for groundwater trend monitoring.

Even without the new program, the Board needed to raise dues to at least \$3 an acre to operate in the black. With the new groundwater program certain to add to operating costs in 2013 and beyond, the Board had no choice but to increase dues to \$4 an acre. If inadequate funds are collected from members, the coalition cannot fulfill its legal mandates and members would be out of compliance with State regulations. If that were to happen, the Water Board would likely drop the coalition as the organization representing the growers, and growers would have to form a new organization or obtain individual permits.

Water Board Grants One Year Reprieve

It was clear in February that revenue from the annual member dues was not adequate to cover budget costs for 2012. The ESJWQC board of directors decided then to write a letter to the Water Board explaining our financial reality: we either needed a break in monitoring and reporting requirements or face potential shut down of the organization by November 2012. The Water Board accepted our appeal and granted us a reduction in surface water monitoring requirements for the balance of 2012. Those requirements will be reinstated in January 2013.

If You Drop Out

Some members have already stated they will not pay the higher dues and instead will drop out of the coalition. If the coalition is notified of that desire (or dues are not paid by the 2013 deadline), the coalition has no choice but to remove their names from the membership list submitted to the Water Board each July. In past years, the Water Board has contacted entities that dropped out and requested information on how they plan to comply with the State Water Code as an individual.

Will the Water Board eventually catch up with members who drop out? Based on experience, it is only a matter of time before each individual is contacted. The difference with the new program is that the Water Board considers anyone who irrigates as having the potential to discharge farm inputs to either groundwater or surface water. Based on that premise, the Water Board has stated that the grower bears the burden for proving those discharges do not occur and that there is no need for regulatory coverage. To date,

we are not aware of any individual or group who has made the effort to prove that case.

Participation in the coalition has always been completely voluntary. Growers have always had, and will continue to have, the option of filing for an individual permit. But by being in a coalition, a member relies on staff to perform water monitoring and prepare reports mandated by the Regional Water Board with costs shared across its many members. With an individual permit, the landowner assumes solely the responsibility for monitoring and reporting their activities to the Regional Water Board.

Costs for an Individual Permit

A coalition offers growers regulatory coverage with what is considered a "group permit." So what would it cost to fulfill the Water Board requirements under an "individual permit"? Here is a potential scenario for a 100-acre farm that uses three different pesticides and applies fertilizers every year. If there is only a single location where surface water can leave the property (even if it is only periodic stormwater discharge), the annual costs could be as high as \$15,000 to \$20,000. These costs (based on estimates from consultants in this field) include water monitoring, lab analysis of samples and reporting the results to the Water Board. Additional first year start-up costs could range from \$5,000 to \$10,000 to pay for developing sampling and analysis plans, quality assurance plans and setting up a monitoring program. These costs do not cover drilling groundwater sampling wells around the property if the Water Board determines that the groundwater under your property is not adequately monitored (existing irrigation wells generally do not suffice for this requirement). This annual estimate does not include the potential cost for conducting studies to determine the effectiveness of your management practices in limiting discharges to groundwater. Such studies are mandated by the Water Board for the coalition in the new program and it is unclear if growers with individual permits will also be mandated to perform these studies.

Update on EIR Costs for Implementation

The Regional Water Board released on September 29 a clarification of cost estimates for implementing the new Irrigated Lands Regulatory Program. One chart included in the update is seen below. The Q&A style document can be reviewed and downloaded from the ESJWQC website: <http://www.esjcoalition.org/generalOrder.asp>

	Proposed WDRs	Current program	Change
Third-party Costs			
Administration	0.80	0.80	--
Monitoring/reporting/tracking	3.70	1.20	2.50
Direct Grower Costs			
Farm plans	0.70	--	0.70
Management practices	115	113	2
Total	\$120.20	\$115	\$5.20

Estimated annual average per acre cost for the Eastern San Joaquin River Watershed – comparison of the proposed waste discharge requirements to continue the current program.

2012 Coalition Board of Directors

- Parry Klassen, Executive Director
- Amanda Carvajal, Merced Co. Farm Bureau
- John Eisenhut, Hilltop Ranch, almonds
- Brian Franzia, West Coast Grape Farming, Inc.
- Richard Gemperle, Gemperle Enterprises, almonds
- Bill McKinney, almond grower
- Mike Niemi, Turlock Irrigation District
- Anja Raudabaugh, Madera County Farm Bureau
- Alan Reynolds, Gallo Vineyards, Inc.
- Al Rossini, Rossini Vineyards, grape grower
- Jim Wagner, Wilbur-Ellis Co.
- Wayne Zipser, Stanislaus Co. Farm Bureau

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