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## Central Valley Regional Water Quality Control Board

### Long-Term Irrigated Lands Regulatory Program Answers to Questions on Cost Estimates

#### **Question 1: Will there be new Water Board fees associated with the proposed new irrigated lands regulatory program?**

The Central Valley Water Board (Water Board) is not proposing any new fees for growers. Under California water quality law, we are required to estimate the potential costs of the proposed regulatory program. Current fees set by the State Water Board are \$0.56 / acre for growers who are in a third party or Coalition group. The State Water Board has not proposed any changes in those fees for this fiscal year.

#### **Question 2: What are the estimated costs to growers regulated by the Irrigated Lands Regulatory Program (ILRP)?**

The Central Valley Water Board has estimated average costs of the first two draft orders for the long-term ILRP (see tables below). Without any changes to the current program, the estimated costs are \$17.50 / acre and \$115/ acre per year. Most of the cost is associated with implementing agricultural practices that have multiple benefits, including protecting water quality. The estimated increases in average costs associated with the new proposed requirements are \$3.40 / acre and \$5.20 /acre per year. The cost to individual growers will vary depending on the location of the grower's fields and the grower's current management practices. Growers already implementing practices that protect water quality will have minimal costs, while growers who need to improve their practices will have greater costs. As the Water Board develops specific requirements for each geographic area, it will select the least costly options that result in protection of water quality.

#### **Question 3: How were the cost estimates developed?**

The cost estimates were based on analysis performed by agriculture economics consultants who were hired by the board. The economics team gathered cost information relevant to Central Valley conditions from available reports and discussions with technical experts. The cost estimates were broken down into four general areas: 1) program administration; 2) farm specific plans; 3) surface water and groundwater monitoring; and 4) implementation of management practices to protect groundwater and surface water quality. The greatest component of the estimated costs is associated with implementing management practices to protect water quality. For the two waste discharge requirements developed so far, the combined estimated costs for administration; farm specific plans; and monitoring range between \$2.90 - \$5.20 / acre per year, while the costs estimates for management practices may range from less than \$20/acre to greater than \$110/acre per year.

**Question 4: Is the Water Board requiring adoption of specific management practices?**

The Water Board is not specifying the type of management practices growers choose to adopt. Farmers will continue to determine which practices make the most sense for their farming operation, as long as they protect surface and ground water quality.

**Question 5: Why are there differences in the estimated costs of management practices?**

The economics team reviewed available information on water quality and existing practices. Based on this information, the economics team and Water Board staff identified which areas had water quality problems and identified the types of practices growers might choose in order to address those problems. If an area had a water quality problem, the Water Board staff assumed growers not already implementing practices protective of water quality would need to do so. Areas with many water quality problems and fewer protective practices already in place had greater estimated costs to implement those new practices than areas with fewer identified water quality problems and more protective practices.

**Question 6: What is the Water Board doing to minimize the costs of the new requirements?**

The Water Board is working closely with agricultural industry representatives and our State and federal partners to develop and implement a cost effective program. These parties include the California Department of Food and Agriculture, Department of Pesticide Regulation, Natural Resources Conservation Service (NRCS), University of California Cooperative Extension, California Farm Bureau Federation, existing coalition representatives, and industry commodity groups. The intent of this dialogue is to assist the Water Board in establishing requirements that limit the burden on the grower, while ensuring water quality is protected. To reduce costs for growers, the Water Board is allowing third-parties to conduct regional and representative monitoring and provide technical reports on behalf of the growers. Instead of site-specific monitoring, growers will provide information on the management practices they are using to protect water quality. The Water Board is working with the agricultural industry and our State and federal partners to develop templates that will simplify reporting. In addition, the Water Board is working with these partners to identify cost share opportunities and opportunities for providing technical support to growers to meet the new requirements.

**Question 7: What can growers do to help reduce costs?**

Growers can become informed of what the water quality issues are in their area, learn about practices that can protect water quality, and implement practices that make sense for their farming operation. The sooner water quality problems are addressed, the sooner the Water Board can reduce monitoring and reporting requirements.

**Estimated Costs for Waste Discharge Requirements Circulated for Public Review<sup>1</sup>**

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

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

**Estimated annual average per acre cost for the Tulare Lake Basin – comparison of the proposed waste discharge requirements to continuation of the current program.**

	<b>Proposed WDRs</b>	<b>Current program</b>	<b>Change</b>
<b>Third-party Costs</b>			
Administration	0.80	0.70	0.10
Monitoring/reporting/tracking	1.80	0.80	1.00
<b>Direct Grower Costs</b>			
Farm plans	0.30	--	0.30
Management practices	18	16	2
<b>Total</b>	<b>\$20.90</b>	<b>\$17.50</b>	<b>\$3.40</b>

<sup>1</sup> Note – cost estimates will be developed for each of the 8-12 waste discharge requirements that will be developed as part of the long-term irrigated lands regulatory program.

**Administration** – third- party administrative costs, including State fees.

**Monitoring/Reporting/Tracking** – includes surface water monitoring, groundwater quality monitoring, submitting technical reports, and tracking management practice information from growers.

**Farm Plans** – includes costs associated with preparing farm evaluations, nitrogen budgets, and sediment and erosion control plans, where needed.

**Management Practices** – includes costs associated with practices growers are assumed to implement in response to identified water quality problems.

**Current Program** – costs associated with the current surface water quality only program.

**Proposed WDRs** – costs associated with the proposed waste discharge requirements, which address both surface water quality and groundwater quality.