Public Hearing (3/20/13)
Bay-Delta Plan SED
Deadline: 3/29/13 by 12 noon

Tuolumne River Trust

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March 28, 2013

Jeanine Townsend
Clerk of the Board
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95814-0100

Re: Comment Letter – Bay Delta Plan SED

Dear Chair Hoppin and Members of the Board:

Thank you for the opportunity to comment on the *Draft Substitute Environmental Document in Support of Potential Changes to the Water Quality Control Plan for the Bay Delta: San Joaquin River Flows and Southern Delta Water Quality* (Draft SED).

The Tuolumne River Trust (TRT) was founded in 1981 to protect and restore the Tuolumne River and its tributaries. We have 2,000 members, most of whom live in the Central Valley, Sierra Foothills, and Bay Area. While we have achieved many successes over the years, including securing Wild and Scenic status for the upper Tuolumne in 1984, the river ecosystem continues to deteriorate. Fish and wildlife, water quality and recreational opportunities have all been in decline.

The biggest impacts to the Tuolumne come from Don Pedro Dam, which impedes the migration of salmon and steelhead from much of their historic spawning grounds, and water diversions that have reduced flows in the lower Tuolumne. Currently, only 16% of unimpaired flow is guaranteed for fish and wildlife below Don Pedro Dam.

Historically, an estimated 130,000 salmon spawned in the Tuolumne each year. However, in recent years the population has been in the hundreds or low thousands. Water quality in the lower Tuolumne is now listed as impaired under Clean Water Act standards. Something must be done.

Over the years there has been a direct correlation between flows and the health of the salmon population. For example, the heavy storms of 1982/3 flushed juvenile salmon out to the Delta, Bay and Ocean, and in 1985 40,000 of those salmon returned as spawning adults. This was a peak in the population during that time period.

In 1997/8 there was so much water flowing down the Tuolumne River that it spilled over Don Pedro Dam, flooding areas downstream. While this caused problems for downstream communities, it led to a peak of 18,000 returning salmon in 2000. The high flows during both of these water years benefitted juvenile salmon by providing cover from predators, moving them to the ocean faster to avoid predation, creating

floodplains for foraging, and improving water quality, including temperature and dissolved oxygen.

On December 31, 2012, the State Water Resources Control Board (State Water Board) released the Draft Supplement Environmental Document (SED) which presents the State Water Board's analysis of the need for, and effects of, potential changes to the *2006 Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary* (2006 Bay-Delta Plan).

State water quality law requires the adoption of Water Quality Control Plans that identify existing and potential beneficial uses of waters of the state and establish water quality objectives to protect these uses. The Bay-Delta Plan protects water quality in the region and includes water quality objectives to protect fish and wildlife beneficial uses through inflows to the Delta from the Sacramento River and San Joaquin River and Delta outflows, in addition to objectives for salinity to protect agricultural beneficial uses.

Background

The 2006 Bay-Delta Plan was adopted by the State Water Board on December 13, 2006 and identified a number of emerging issues that required additional review and water quality control planning. San Joaquin River flow was one of the emerging issues. During development of the 2006 Bay-Delta Plan data submitted by fisheries agencies suggested that various fish species within the Delta and San Joaquin River basin had not shown significant signs of recovery since adoption of the San Joaquin River Spring Flow and Pulse Flow objectives in the 1995 Plan and the implementation of the Spring Flow objectives in D-1641. Some species have shown significant declines. The San Joaquin River flow objectives were not changed in the 2006 Plan due to a lack of scientific information on which to base any changes. Thus San Joaquin River flow is the focus of this SED along with southern Delta salinity, one of the other emerging issues.

Specifically, the purpose for the plan amendment to the 2006 Bay-Delta plan is twofold:

- To establish flow objectives during the February-June period and a program of implementation for the reasonable protection of fish and wildlife beneficial uses in the lower San Joaquin River, including the three eastside, salmon-bearing tributaries (the Stanislaus, Tuolumne, and Merced Rivers).
- To establish southern Delta water quality objectives for the reasonable protection of southern Delta agricultural beneficial uses and a program of implementation to achieve the objectives.

The SED goes on to state that the goals related to the Lower San Joaquin River flow objectives include:

"To provide flow conditions in the lower San Joaquin River and three eastside tributaries and take other reasonably controllable measures sufficient to support and maintain the natural production of viable native fish populations migrating through the Delta, including flows that mimic the natural hydrographic conditions to which native fish species are adapted" (SED p. ES-10).

We do not believe the SED adequately accomplishes what the State Water Board has set out to accomplish for several reasons.

1. The proposed February through June flow requirement of 35% unimpaired flow is too low to protect native fish populations. The State Water Board in its report *Development of Flow Criteria for the Sacramento-San Joaquin Delta Ecosystem* (State Water Board, August 3, 2010) presented a thorough analysis of flow requirements to protect native fish species and concluded that 60%of 14-day average unimpaired flow from February through June is required to protect public trust resources. The 2010 report went on to state that the 60% criterion is "supported by sufficiently robust scientific information" (State Water Board Development of Flow Criteria, p. 119).

   The State Water Board then backtracks in the SED and states: "The 60% recommendation is imprecise; it provides an upper end for the range of unimpaired flow alternatives that will be evaluated in the SED. The 20% alternative provides a lower end for this range and the 40% alternative provides an intermediate value for evaluation in the SED" (SED Appendix C, p. 3-62). Nowhere in the 2010 report is the 60% criterion presented as the upper end for the range. At a minimum it is an intermediate value and should be analyzed as such.

   Available information is unequivocal that 35% is too low. Testimony prepared and submitted on behalf of The Bay Institute, American Rivers, Environmental Defense Fund, Natural Heritage Institute, and the Natural Resource Defense Council clearly demonstrate the need for higher flows. Among the points made in this testimony:

   - Based on the abundance to prior flow relationship, average springtime inflows of 10,000 cfs or more are likely to achieve the salmon doubling goals.
   - Periodic springtime inflows of 25,000 cfs are needed to achieve large-scale floodplain inundation on the lower San Joaquin as currently physically constrained.
   - Inflows of at least 5,000 cfs are necessary to maintain minimum temperature conditions for migrating salmonids in April and May.
   - Salmon population growth was negative in two-thirds of years when spring San Joaquin River inflows were below 5000 cfs.
   - Population growth was positive 84% of years when inflows were in excess of 5,000 cfs.

   The proposed 35% of unimpaired flow requirement does not meet these thresholds and will not protect public trust resources. The State Water Board provides no analysis to justify its determination that 35% of unimpaired flow is required from February through June from each of the Merced, Tuolumne, and Stanislaus Rivers on a 14-day running average. The Tuolumne River Trust believes that at least 50% of unimpaired flow is necessary to protect public trust resources.

2. The 14-day running average creates too much smoothing of peak flows. Peak flows are important and necessary for inundating floodplains. The Tuolumne River Trust recommends a shorter averaging period, no more than 7-days.

3. As described in the SED, the State Water Board's objective is to protect native fish populations, and yet the entire focus of the flow analysis is on a single life stage of a single fish species - the fall run Chinook salmon population. For fall run Chinook salmon, the SED restricts itself to providing flows only for outmigrating juveniles, and ignores the needs of other life stages, including upmigration, spawning, and incubation. Beyond fall run Chinook salmon, the SED ignores the needs of other native fish species, including Central Valley steelhead, Green sturgeon, Delta smelt, Longfin smelt, Sacramento splittail, River lamprey, San Joaquin roach, Pacific lamprey, and hardhead. While in general fall run Chinook salmon receives the majority of attention through agency recovery programs, the SED provides no justification for limiting its scope to this single life stage of this single species. This appears to be contrary to the explicitly stated goal of providing flow conditions to maintain the natural production of viable native fish populations migrating through the Delta.

   The State Water Board must take a more holistic approach to aquatic ecology in the lower San Joaquin River and examine the full life cycle of salmon and other species. By isolating life cycles and/or species the State Water Board is taking a piecemeal approach that will not result in recovery of any of the species and will doom future recovery efforts. Even if juvenile salmon survival is improved through the lower San Joaquin River, it provides no certainty that other life stages will be similarly successful. Beyond fall run Chinook salmon, the continued decline of other species could threaten the entire integrity of the Bay-Delta ecosystem, just as we have seen occurring with the decline of pelagic organisms in the Delta.

4. The draft narrative objective stated in the SED states:

   > Maintain flow conditions from the San Joaquin River Watershed to the Delta at Vernalis, together with other reasonably controllable measures in the San Joaquin River Watershed, sufficient to support and maintain the natural production of viable native San Joaquin River watershed fish populations migrating through the Delta. Flow conditions that reasonably contribute toward maintaining viable native migratory San Joaquin River fish populations include, but may not be limited to, flows that mimic the natural hydrographic conditions to which native fish species are adapted, including the relative magnitude, duration, timing, and spatial extent of flows as they would naturally occur. Indicators of viability include abundance, spatial extent or distribution, genetic and life history diversity, migratory pathways, and productivity. (SED Appendix K, p. 1)

   We believe it is important to include the doubling goal, as originally identified in the Technical Report on the Scientific Basis for Alternative San Joaquin River Flow and Southern Delta Salinity Objectives, which includes the sentence: "Specifically, flow conditions shall be maintained, together

with other reasonably controllable measures in the SJR watershed, sufficient to support a doubling of natural production of Chinook salmon from the average production of 1967–1991, consistent with the provisions of State and federal law." (SED Appendix C, p. 3-60) It is unclear why this statement was removed from the narrative objective. State and Federal law mandates that State and Federal agencies adopt policies and management practices that contribute towards this goal and the State Water Board is no exception, thus this must be included in the narrative objective.

5. The draft narrative objective couples flows with "with other reasonably controllable measures in the San Joaquin River Watershed" (SED Appendix K, p. 1). In other words, the State Water Board is relying on other measures other than flows to achieve its objectives. By including this as part of the goal, the State Water Board appears to be attempting to balance the competing beneficial uses of the Bay-Delta by including non-flow measures. However, the SED provides no details about these other measures, let alone an analysis of how they will contribute to protection of public trust resources. Furthermore, the State Water Board's jurisdiction and ability to mandate, control, and enforce non-flow measures is very unclear and we suspect that in fact, the State Water Board has no jurisdiction to do so. The State Water Board would abandon its duty to protect public trust resources in the hopes that other entities and organizations will step in to implement non-flow measures.

6. The State Water Board's proposal to adopt the objective of 35% of unimpaired flow appears to be made as an effort to balance the competing uses of water. However no clear standards or explicit decision making framework is identified to support the recommendation. The Board must describe a transparent process and framework for reaching any conclusion, and it must clearly justify the conclusion. As it stands, the 35% of unimpaired flow recommendation appears to be made with little or no clear justification. In fact, it will not protect public trust resources. We recommend the board define its decision making framework and process before making a decision.

7. The State Water Board presents an economic analysis that does not adequately treat recreational, sport, and commercial fishing. These are important sectors of the economy that rely on improved fish populations, in particular, improved salmon poplulations. The economic analysis does not quantify benefits to recreational fishing and makes no mention at all of benefits to commercial fishing, which is highly dependent on a healthy salmon fishery. Beyond the direct benefits of an improved commercial fishery, there are many indirect benefits, such as improvements to tourism and restaurants. We believe that the economic analysis should account for these benefits.

8. The economic analysis also assumes little to no elasticity in water use; it does not take into account more efficient use of water through improvements in technology, better groundwater management, and changes in cropping patterns. In urban areas, we have seen great progress on water conservation. In 2008, the San Francisco Public Utilities Commission and its wholesale customers used more than 250 million gallons of water per day (mgd). Last year that figure dropped to about

220 mgd, close to a 15% decrease. Similar progress could be made in the agricultural sector, which consumes 80% of the water diverted from the Tuolumne.

Improving flows on the San Joaquin and its tributaries will not necessarily harm agriculture. Through better monitoring of the snowpack, the efficient application of irrigation water, and modest crop-shifting, agriculture will remain a vibrant economic driver in the Central Valley while reducing the negative impacts of water diversion on the San Joaquin River Basin ecosystem.

Clearly irrigation districts in the region have the ability to use water more efficiently. Last year, the Modesto Irrigation District proposed transferring up to 27,500 ac-ft of water to the San Francisco Public Utilities Commission by capturing and redistributing canal tailwater (*MID releases draft contract for sale of water to SF*, Modesto Bee, April 30, 2012 attached). The Oakdale Irrigation District (OID) has transferred as much as 30,000 ac-ft of water to the Stockton area over the past 10 years, and more recently, the Oakdale Irrigation District has entered negotiations to sell up to water to the City of Brisbane (Oakdale Irrigation District outlines water sale idea, Modesto Bee, September 17, 2012 attached). It is also notable that OID recently annexed 812 additional acres into the district (*OID Approves Annexation List*, Oakdale Leader, February 20, 2013 attached) and is considering annexing an additional 7,234 acres. These recent activities demonstrate that local irrigation districts have water to spare and they have the ability to manage the water more efficiency. This must be analyzed in any robust and credible economic analysis.

Water Use Efficiency

Water efficient irrigation practices and technologies, including 1) soil moisture sensors and smart irrigation controllers, 2) real-time weather data, daily evapotranspiration reports and computer models that help farmers irrigate more precisely, and 3) shifting crops from flood irrigation to sprinklers and drip systems would help farmers adjust to reduced water availability. Improving irrigation efficiency has the added benefit of reducing fertilizer and pesticide use, reducing soil erosion, and minimizing runoff.

The irrigations districts could encourage greater implementation of water efficient technologies by providing rebates for equipment to offset initial capital investments. They could further encourage efficiency by providing educational and technical assistance to their customers. Providing farmers with meteorological and hydrological information on climate, soil conditions and crop water needs would be very beneficial.

According to the Pacific Institute, potential irrigation efficiencies range from 60-85% for flood irrigation, 70- 90% for sprinklers, and 88-90% for drip and micro-irrigation systems. Recent studies out of UC Davis suggest that drip irrigation can double the output of many crops, producing twice the yield per acre.

With higher crop yields on prime agricultural land, the irrigation districts could provide incentives to retire drainage-impaired and/or flood-prone lands to reduce irrigation on marginal farmland. The Big Bend Floodplain Protection and Habitat Restoration Project on the Tuolumne River has successfully restored 240 acres of floodplain along the Tuolumne River that had previously faced a long history of flooding. A similar project is underway at the 1,600-acre Dos Rios project at the confluence of the Tuolumne and San Joaquin Rivers.

The irrigation districts might consider water pricing as a means of promoting best management practices. Through water budgets and tiered pricing, efficiency would be rewarded and encouraged.

Better Snowpack Monitoring

Through improved monitoring of the snowpack, more water could be released from reservoirs in the spring to enhance the out-migration of juvenile salmon, and then late season run-off could be captured for storage. Currently, in many years water is captured when the salmon need it most, and then released later in the season to create capacity for flood water storage. Better management would allow for both beneficial releases and storage.

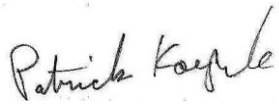
Modest Crop Shifting

Modest crop shifting could increase crop value while reducing water consumption. By replacing lower-value, water-intensive crops with higher-value, water-efficient crops, farmers could produce more food with less water. According to the Pacific Institute, field crops, such as rice and alfalfa, currently account for 56% of irrigated acreage in California. They use 63% of applied water but generate only 17% of California's crop revenue. Vegetables, on the other hand, account for only 16% of irrigated acreage, and use just 10% of applied water, but generate 39% of California's crop revenue.

Incentivizing some transition to higher-value, water-efficient crops would increase agricultural income while freeing up more water for the benefit of fish and wildlife, water quality and recreation.

Thank you for considering our comments that we submit on behalf of our 2,000 members and the people who signed the enclosed petitions.

Sincerely,



Patrick Koepele
Deputy Executive Director

Enclosures:

- *MID releases draft contract for sale of water to SF*, Modesto Bee, April 30, 2012
- *Oakdale Irrigation District outlines water sale idea*, Modesto Bee, September 17, 2012
- *OID Approves Annexation List*, Oakdale Leader, February 20, 2013
- *Eastern Stanislaus' grazing land giving way to acres of orchards,* Modesto Bee, November 3, 2012
- Petitions (Hardcopy only)

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Print This Article

Posted on Mon, Apr. 30, 2012

MID releases draft contract for sale of water to SF

***By John Holland**jholland@modbee.com*

last updated: April 30, 2012 10:59:43 PM

The Modesto Irrigation District on Monday evening released final details of a proposed water sale to San Francisco.

The district also announced that its board will discuss the controversial plan May 8 and could vote on it May 22.

As soon as July 1, San Francisco could be taking the water into its system, upstream on the Tuolumne River from the MID's diversion.

The 2,240 acre-feet per year amounts to 1.2 percent of the MID's average farm deliveries, but nonetheless has drawn critics. One of them, John Duarte, said the water is needed in drought years for the farmers and for treated-water customers in Modesto.

"There is simply no water to sell," he said after reviewing the draft. "This proposed water transfer is in complete violation of the district's commitment to urban users and agriculture."

San Francisco's starting price would be about 100 times what farmers pay.

The MID ultimately could sell 27,500 acre-feet, about 15 percent of its annual farm deliveries, at prices to be determined. The district plans to free up the water with conservation projects along its canal system.

Yosemite's Hetch Hetchy Valley was a beautiful sight Sunday 05/22/05 as about 40 to 50 people including members of the group Restore Hetch Hetchy walked one of the many trails down the backs of Hetch Hetchy reservoir in Yosemite National Park. A view of Kolana rock, on the right, shooting up the reservoir. (Marty Bicek/The Modesto Bee) - Modesto Bee - Marty Bicek

The May 22 vote could include launching the environmental study needed for the larger water sale.

In a memo Friday to the board, General Manager Allen Short outlined the criteria for selling water.

"Water rights will not be sold or transferred," he wrote. "MID service area customers will be protected even in water-short years."

Proponents of selling water say the income could go to the substantial upgrades needed on the canal system and to the MID's share of the cost of a new federal license for Don Pedro Reservoir.

Some critics would prefer the water stay in agriculture, the primary driver of the San Joaquin Valley economy, whether through sales to farmers or groundwater recharge.

Environmentalists say water conserved on the canal system should go into the lower Tuolumne River to enhance its fishery.

The draft contract for the first sale has mostly the same details as were discussed in public meetings in recent months.

The 2,240 acre-feet is a little more than the 2,200 initially discussed. An acre-foot covers an acre a foot deep.

San Francisco would pay $700 per acre-foot to start, as previously stated. The price would rise as much as 3 percent per year to reflect inflation.

The sale would have an initial term of 10 years, during which time the two sides would review whether the sale could be affected by new river flow requirements aimed at protecting fish. The sale then could be renewed for two 20-year periods.

San Francisco's Hetch Hetchy Water and Power System serves about 2.5 million water customers in four Bay Area counties.

San Francisco officials have said the MID water, even at $700 per acre-foot, is more practical than the alternatives for meeting future demand. They include water conservation, recycling, groundwater and desalinization.

Environmental groups have questioned the need for the MID water because demand in the San Francisco system has dropped.

The MID had planned to release the draft contract in early April, but it was delayed while San Francisco reviewed a protest letter from the Tuolumne River Trust.

The group's concerns include the effect on the river stretch just below Hetch Hetchy Reservoir, which would have less water if San Francisco diversions increase.

Bee staff writer John Holland can be reached at jholland@modbee.com or (209) 578-2385.

AT A GLANCE

• **HOW MUCH:** San Francisco would get as much as 2,240 acre-feet of Tuolumne River water from the Modesto Irrigation District per year. This is 1.2 percent of the average deliveries to farmers.

• **PRICE:** $700 per acre-foot to start; as much as 3 percent annual increase to reflect inflation

• **TERM:** 10 years to start, then two 20-year renewals

• **WHAT'S NEXT:** Discussion at May 8 MID board meeting. Possible vote May 22 on completing this sale and starting environmental review on future sales of as much as 25,000 additional acre-feet.

• **ONLINE:** The draft sale contract and related documents are at www.modbee.com.

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Print This Article

Posted on Sun, Sep. 16, 2012

Oakdale Irrigation District outlines water sale idea

By John Hollandjholland@modbee.com

last updated: September 17, 2012 12:14:18 AM

OAKDALE --]

Details have emerged about the proposed sale of Oakdale Irrigation District water to the tiny Bay Area city of Brisbane.

The district would sell up to 2,400 acre-feet from its Stanislaus River supply each year, according to a tentative "term sheet" to be discussed at Tuesday's board meeting.

This would come out of the roughly 40,000 acre-feet the OID has available because two previous water transfers — to Stockton-area domestic users and to river fishery flows — have ended.

For the first five years, Brisbane would pay $500 for each acre-foot it uses each year, with annual increases to reflect inflation. It would pay $100 per acre-foot for anything not used from the total available.

From the sixth year on, Brisbane would pay $500 per acre-foot plus the inflation increases for an amount of water yet to be determined, but not exceeding 2,400 acre-feet.

OID's farmers pay a flat $19.50 per acre, which provides as much water as can be reasonably used.

The contract would have an initial term of 50 years but could be renewed for 25-year periods. The draft says the supply "will not be reduced on an annual basis by OID for any reason, unless by mutual agreement of the parties."

OID General Manager Steve Knell proposes an Oct. 2 board vote on the term sheet. Negotiation of a final contract would follow, as would study of the sale's effects on the environment.

The Brisbane City Council is to consider approving the term sheet this evening.

Bigger than first MID plan

The proposal comes amid the controversy over the Modesto Irrigation District's proposed sale of Tuolumne River water to San Francisco, which is just north of Brisbane.

Brisbane, which has about 4,300 people, gets its current supply from San Francisco's Hetch Hetchy Water and Power System on the Tuolumne.

MID's first proposed sale would involve up to 2,240 acre-feet of water a year at a starting price of $700 per acre-foot.

The proposal has been fiercely debated over the past year. Critics say it could leave Modesto-area farmers and domestic users short during dry years. Supporters say there is enough water to go around, and the income could help with canal system upgrades.

The MID and San Francisco have discussed a sale of up to 25,000 acre-feet per year — water that would be freed up by conservation projects on the canals.

A series of steps

The OID-Brisbane deal would not be a direct sale of water. Instead, it would require agreement by several parties to take these steps:

• An amount of Stanislaus water equal to the Brisbane purchase would be shifted by the OID to the MID via a connection between their systems.

• The MID would let an equal amount be held back in Hetch Hetchy Reservoir, upstream of the district's diversion.

• The Hetch Hetchy system would deliver extra water to Brisbane.

Brisbane would use most of the water for the proposed Baylands development, a major project on the city's east side,

according to a city staff report issued Friday.

The OID board will meet at 9 a.m. Tuesday at the district office, 1205 E. F St., Oakdale.

Bee staff writer John Holland can be reached at jholland@modbee.com or (209) 578-2385.

Print This Article

OID Approves Annexation List

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February 20, 2013

A revised list of parcels for agricultural annexation was approved by the Oakdale Irrigation District Board of Directors at its Feb. 19 regular meeting. The approval was for a total of 812.1 acres, owned by seven applicants, to be annexed. This item had been tabled at the prior OID meeting.

Due to the OID's flushing out of "fringe" parcels that were not formally in district boundaries and the subsequent applications received to annex said fringe parcels, the district had 386 acres worth of irrigation water left over, as only 330 acres had applications submitted of the 716 acres eligible to be annexed under fringe parcel terms. With the additional water freed up, OID offered Ag annexation for parcels that met certain guidelines. Only up to 386 acres were to be annexed but the board decided to also allow a 430-acre parcel that met the criteria to be annexed. If the board hadn't upped the acreage allowable, it would have had to choose between either the six parcels together or the one other parcel. The water "account" that the additional acreage will require will be pulled from the OID's water transfers (sales) surplus, which is approximately 16,000 acre feet of water. OID General Manager Steve Knell said that about 1,600 acre feet of additional water will satisfy the annexation list.

The seven applicants are comprised of five landowners on the north side of the district, Paul Dole, John Brichetto, Randy Paddack, Holly Moore, and Wendell Naraghi for 353.5 acres and two landowners on the south side of the district, Robert T. Gilbert and Hoekstra Dairy for 458.6 acres.

These parcels will be annexed under similar terms to the Trinitas Annexation, which are still being negotiated. The annexation process will commence, once the terms are finalized and signed by the applicants.

In other business, the board also approved a funding request for the Oakdale Joint Unified School District's fourth grade salmon project for 2013, in the amount of $2,200. The cost is to cover bussing for the district's approximately 400 fourth graders to the Knights Ferry Recreation Area to conduct their Chinook salmon studies field day.

In discussion, the staff and board talked about preparations for the start of the 2013 irrigation season. Knell said that the season will likely start in early March if there isn't a good amount of precipitation in the meantime.

"It's dry out there," he said, later adding, "January 6 was the last effective precipitation

here."

Knell reported that on Feb. 14, inflow to New Melones Reservoir was at 91 percent of normal but as of the Feb. 19 meeting, that number had changed to 89 percent of normal. The matter of when to start the water season will come before the board at the March 5 meeting.

The next regular meeting of the OID Board of Directors will be at 9 a.m. on Tuesday, March 5 in the OID boardroom, 1205 East F. The next regular joint board meeting of the Tri-Dam Project will be at 9 a.m. on Thursday, Feb. 21, also in the OID boardroom.

http://www.oakdaleleader.com/section/44/article/9988/

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Posted on Sat, Nov. 03, 2012

JARDINE: Eastern Stanislaus' grazing land giving way to acres of orchards

By Jeff Jardinejjardine@modbee.com

last updated: November 03, 2012 11:25:59 PM

OAKDALE --]

JEFF JARDINE / jjardine@modbee.com Almond orchards have taken over what was, for more than a century, cattle grazing lands east of Oakdale near Knights Ferry and north of the Stanislaus River. This is visible from Sonora Road. Taken Oct. 30, 2012. - Modesto Bee - Jeff Jardine

For more than a century, the road from Oakdale toward the Sierra took you into cattle country. Hereford and Black Angus cattle speckled the dry, grassy fields and the rolling hills.

It still does and they still do, in fact. But the landscape is changing rapidly and dramatically.

The Old West, as we've known it here in Stanislaus County, is being shoved east. Thousands of acres of dry grassland and hills are being plowed under. Drip irrigation and misting systems are being assembled, with white PVC pipes lining the hillcrests.

The new cow, calf or steer is an almond tree — make that thousands upon thousands of trees, with thousands upon thousands more on the way.

Within a few years, almond and walnut orchards will stretch from Highway 108-120 several miles south to Warnerville Road, east of Oakdale. The transformation of this land amazes even those who live there.

"Incredible," said Lia Ardis, whose family once ran cattle to go with their almond and walnut orchards. She is among those who have sold acreage to an investment company from the Bay Area called Trinitas Partners. Last weekend, she took visiting relatives on an eye-opening drive out Warnerville Road to see the almond orchards and vineyards lining what until a few years ago had been wide-open cattle country.

"They couldn't believe it," she said.

The expansion of almond orchards in this county is nothing new. It's been going on for 30 years. In 1982, the county had 8,738 acres of almond trees. By 2011, it had 99,301 — 7,227 of which were planted since 2009 and are reaching production maturity.

I don't know if "production maturity" is an official almond term, but it sounds pretty scientific, so we'll go with it.

Trinitas is ramping up the expansion. The investment group is headed by an unlikely triumvirate of a Cal guy (Ryon Paton), a Stanford guy (William Hooper) and a Harvard guy (Kirk Hoiberg).

"It wasn't like we understood the sector," Paton said. "But we like investments in agriculture. And we liked the idea of crop types — almonds, walnuts and pistachios."

They consulted with ag experts, including some from California universities.

"The first people we worked with were in almonds," Paton said. "They're one of California's specialties. With 80 percent of the world market, looking at the research, it seemed like a good place to start, from the risk management perspective."

So they began looking at land, and decided Stanislaus County offered opportunity.

About five years ago, they acquired acreage north of the Stanislaus River off Orange Blossom Road. Trinitas harvested its first almond crop last month.

It has expanded its holdings to include the swath of land south of 108-120 to Warnerville Road.

Ardis said selling acreage to Trinitas was one of the most difficult things she's ever done. Her husband, Rick Ardis, died

in 2007. He loved the wide-open cattle country, but diversified his holdings with almond and walnut orchards.

"It was heaven on earth to him," she said.

But the cattle business wouldn't support the family, with the grown children starting families of their own.

"The kids liked farming better," she said.

Trinitas came along and made them an "offer we couldn't refuse," Lia Ardis said.

The Ardises then bought other property, including 320 acres of almonds, and are preparing to plant more on the land they retained.

They are among the nine landholders who sold to Trinitas in parcels ranging in size from 369 to 1,161 acres. In all, the company owns 7,234 acres and wants to annex them into the Oakdale Irrigation District at $2,600 per acre — $18.81 million paid over 20 years — and then buy water at $60 per acre-foot. The OID board could vote on annexation early next year.

Of that acreage, about 6,200 ultimately will be planted in almonds or walnuts.

"We have a great well system," Paton said. "If we didn't have OID, we could still water our trees."

But having OID water available is better for all involved, he said. "We don't want neighbors coming after us 30 years down the road for depleting the aquifer."

Supplying Trinitas' needs, which remain secondary to existing customers, would pretty much max out the OID's capacity to move water south of the Stanislaus River, though not north of it, said Steve Knell, the OID's general manager.

"We're not offering any guarantees," he said. "(In the years) we run short of water, they get cut off."

In fact, they'll likely need to use their well water during peak irrigation time (June through August). At the same time, Knell said he's found the Trinitas folks to be as environmentally proactive as anyone with which he's ever dealt.

"That's another anomaly about them," he said. "They've done set-asides for vernal pools, fairy shrimp and salamander habitat."

Trinitas employs about 45 workers, not including subcontractors.

Paton and his partners tend to shy away from publicity. But he conceded that acquiring so much land and requesting to annex it into a publicly owned water district has put them on the public's radar. So have the excavation work and new driveways accessing Highway 108-120, in plain view of motorists driving past.

Their increasing presence also generates curiosity and rumors about their investors.

Are John Madden, Condoleezza Rice, Oprah (who really doesn't need a last name) and Nancy Pelosi among those bankrolling this endeavor?

"Our investors require us to keep their names anonymous," Paton said. "So I can't tell you that. Some of it is right and some is not. I can tell that you we have no politicians."

OK, so you can nix Pelosi.

Veteran ag land expert Jerry Marquis of Oakdale, who has brokered deals all over the state and has seen ag operations all over the world in the past 50 years, is skeptical about such a huge undertaking and certainly about additional expansion.

Cattle prices are strong, in no small part because of drought conditions in other parts of the country. That keeps the value of grazing land higher.

While almonds generate about $2 a pound for growers, and walnut growers also are prospering, finding more land with available water in Stanislaus County will be difficult. And China already is the world's largest producer of walnuts, though it hasn't enjoyed the same success with almonds.

The varying prices of land, the availability of water, environmental concerns, annexation fees and water costs combine to make ventures such as Trinitas' risky, Marquis said.

"It's going to be interesting," he said. "I question that very much."

Paton agrees that developing dry grazing land into orchards farther to the east is unlikely because the land lacks the necessary groundwater.

Even so, Trinitas isn't necessarily done acquiring property, he said. Nor is the company alone in its almond dreams. An Oakdale farmer is planting 3,000 acres of almonds north of the Stanislaus River, Knell said, and others who hadn't previously considered annexing their land into the OID at $2,600 an acre suddenly are interested.

"Trinitas has changed the value of water (in the district)," Knell said. "It's changing the landscape."

And the Old West, as we knew it in eastern Stanislaus County, is no longer as far west as it used to be.

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