

Orbia Hanks, President
Rolling R Enterprises
628 East US Highway 78
Brawley, CA 92227

September 24, 2005

State Water Resources Control Board
Attn: Celeste Cantu
Division of Water Rights
1001 I Street, 14th Floor
Sacramento, CA 95814

Mrs. Cantu and Board,

I am the president of a seed and grain harvesting and hauling company serving agricultural customers in the Imperial Valley. I also represent a loose organization of agricultural service providers in the Imperial Valley.

We are increasingly concerned with the actions of the organization euphemistically called "The Local Entity" which is actually the "Imperial Valley Socioeconomic Improvement Committee". The Local Entity is a panel of eleven formed in accordance with the revised fourth amendment to the water transfer agreement between the Imperial Irrigation District (IID) and the San Diego County Water Authority (SDCWA).

The Local Entity had a specific task according to the revised fourth amendment; to develop a plan to mitigate problems and negative impacts caused by fallowing and by the transfer of water to SDCWA.

The Local Entity's eleven seats are distributed in this manner: two are IID board members, two are county supervisors, two are from the Imperial Valley Association of Government Representatives, and five are volunteers from specifically designated segments of the Imperial Valley economy. The five volunteers include: one Joint Chamber of Commerce representative, one farm worker representative, one education representative, one farm service representative, and one representative at large from the Calexico Chamber of Commerce.

Once seated, the majority of this group seemed to develop an attitude that the Local Entity answered to no one. This attitude manifested itself in bylaws that excluded any direct compensation of any kind to farm related third party negative impacts from the water transfer to the SDCWA and choosing to instead give grants for the creation of new, non-agricultural businesses.

Through this process the IID was having difficulties of its own, simultaneous with the land fallowing program necessitated by the water transfer agreement. These include the controversial land purchase by the IID, a suit filed against them from certain Imperial Valley farmers, another suit from the Imperial County itself, and finally developments related to the environmental impact of changes to the Salton Sea.

It is our position that businesses neither new or old have the right to IID or SDCWA monies without any proof of negative impacts caused by the transfer of conserved water.

Article 14.5 places those social-economically impacted in the first priority for mitigation. Article 14.5 section b item (iv) calls for SDCWA to pick up the excess cost if needed.

On September 14, 2005, the Local Entity voted eight to three to oppose direct compensation or mitigation funds for 3rd party negatively impacted farm service providers.

The vote by chair was:

Chair	Yes Vote	No Vote	Comment
IID	1	1	
Imperial Valley Association of Governments	1	1	
Imperial Valley Board of Supervisors		2	Suing the IID
Joint Chambers of Commerce		1	
Farm Labor		1	
Farm Service	1		Chair now open
Education		1	
At Large Calexico Chamber		1	

On September 19th, 2005 by a five to zero vote the sub committee of the Local Entity voted to consider an assistance grant to Farm Service providers. The question is, will the total Local Entity approve of this program?

It is simply counterintuitive that taking out thousands of acres farm land yearly does not have a negative impact on those who service and work the land.

The Local Entity has chosen to instead follow the guidance of a fatally flawed economists report that failed to look at what the University of California extension reports had to say about when land fallowing occurred.

The majority of the farm service providers are now under the impression that we have been chosen to finance non-agricultural business ventures not impacted by the water transfer to SDCWA. The local Farm Bureau chapter has offered a plan that would provide positive proof of negative impacts to the Local Entity before any money was distributed. This plan does not call for total remuneration but a percentage that would cover most of the fixed costs of operation on the fallowed acres. Verification of this information would come from the grower of the fallowed land.

Please review these thoughts and provide us with assistance and/or guidance as you are able. We believe that these developments can and will have a far-reaching negative impact on not just the agricultural service sector of the Imperial Valley economy, but on the whole valley economy. We appreciate your concern for future water transfers and we hope that this information will assist you in future inquiries regarding water transfers.

Respectfully,



Orbia Hanks
760-344-1744