

1152 N. Fairview Ave.  
Goleta, Ca. 93117  
26 Sept. 2005

Mr. Kevin D. Walsh  
General Manager and Chief Engineer  
Goleta Water District  
4699 Hollister Ave.  
Goleta, Calif. 93110-1999

Re: My response to the Draft Report from Goleta Water District Staff, Entitled Agricultural Water Use Supply, demand, and Pricing Issues dated 15 Sept. 2005

Dear Mr. Walsh:

By way of introduction, our family first began farming in Goleta Valley in 1955 on the property that is now Fairview Gardens. My parents sold it to new owners in 1974. My wife, I and our two children have owned a 5 acre parcel in the Goleta foothills since Jan. 1987 on which we grow Fuyu persimmons commercially. We have approximately 500 trees. Most of the fruit is marketed by a fruit broker and we hire labor to pick and pack thousands of pounds of fruit each harvest season. All of the other ranch labor is supplied by my wife and me. Our irrigation system employs micro sprinklers. To minimize evaporation, I start the water in early evening and walk all sprinklers to assure proper operation. They're shut off by timer during the night. We enjoy all the aspects of this farming operation and cherish this way of life.

I appreciate the efforts being made by the District (hereafter referred to as GWD) to supply affordable water to agriculture. In reading the subject draft report, I do have some concerns which I will now address.

Page 2. Key Issue 1 dealing with use/demand. The last part of that sentence refers to "regulate that use". I feel that any regulation activities are appropriately the responsibility of county zoning policies regarding land use. The GWD is a water supplier and should not be a regulator. I do feel that it is fair that if any user of any user category suddenly begins using inordinately higher amounts of water in wasteful ways that the GWD could work with them to achieve appropriate efficient water use. The GWD has done an effective job over the years to promote conservation and I believe that users in general are conscious of this valuable resource.

Page 7. Expansion in Agricultural Water Use. The GWD data states that agricultural water use increased from 2270 acre-feet/year during the moratorium years to 2450 acre-feet/year post moratorium; that's a 7.9% increase. The staff report makes the assumption from this data that water use by the agricultural sector is increasing and will likely increase further. Throughout the draft, these expansion statements are continuously made. Is there actual usage data to support this claim or is it based upon comparison between the moratorium and post moratorium periods? Although I don't have the data, I strongly suspect that once the moratorium was lifted that farmers were again able to do a proper job of irrigation and had been holding back stringently during the moratorium. It was obvious to me that residential users began using lots more water on their yards after the moratorium was lifted yet there is no mention of this in the subject draft

report. I'm not aware of any GWD effort to repress the homeowner public for this increased use. The public gets the impression from reading the News Press that we certainly do not have a water crisis. In fact, we're so "safe" that the City of Santa Barbara has largely dismantled and sold off their desalinization plant.

Page 8. Expanded Service to Existing Structures or Uses. It appears that a new farmer in the GWD would have to pay \$204,493 to obtain a 2" agricultural meter. That staggering fee should certainly restrict new agricultural use.

Page 14. Revisit/Revise Agricultural User Definition. It may be appropriate to review/revise the definition of agricultural users. In any case, I strongly feel that if the GWD has issued an agricultural meter to a user then the rate structure should not be punitively adjusted by the GWD retroactively. Rate increases in keeping with federal government cost of living rates could be a basis for water rate increases periodically. I believe that the vast majority of agricultural users are engaged in trying to derive income from their crops. They have made long term financial and personal commitments in planting orchards and crops. For the GWD to retroactively raise water rates substantially could well prove ruinous for farmers.

Regarding community support considerations, I sense that the community is delighted to have agriculture in its midst. Example 1. Fairview Gardens and Lane Farms are considered community treasures. When Fairview Gardens needed funding to purchase the farm for a trust in perpetuity a few years ago, money was quickly raised. The farm continues to be actively supported by the community. Example 2. Earlier this year the News Press ran some articles on suggested use for the remaining open space in Goleta Valley. Several agricultural parcels were identified for potential residential development. This information precipitated a significant outcry from the public indicating that it really values having agriculture in its valley. I conclude that the existing water rate structure is satisfactory to the public because they well know that water is the lifeline of agriculture and comprises a major operating cost for farmers.

Page 15. Community Values. Whether or not an agricultural property is part of the Williamson Act, i.e. In an Agricultural Preserve, should not be a criteria for allowing agricultural water rates. It is my understanding that to qualify for an Ag preserve there must be 40 or 50 contiguous acres. This is not practical in many cases. There are a number of small isolated agricultural parcels spread around the Goleta Valley. Due to their location, they could never be part of a contiguous 40 or 50 acre block to qualify as an ag preserve. They are productively engaged in farming and that should be the qualifying criteria.

Page 16. Revise the agricultural water service definition. This listing is quite confusing. I am not familiar with the acronyms or the regulations. I therefore object to this section.

Miscellaneous Concern: In a former draft, the GWD staff suggested collecting farmers' income tax returns to determine if they had a viable agricultural operation and deserved agricultural water service. There are many reasons that farming operations do not always show a profit; crop disease, water and other input costs, heat damage, market conditions, labor shortages, high labor expenses (especially in this area) plus others. In 2004, for example, a July heat wave caused scarring on our fruit. The damage was too severe for it to be acceptable to the markets we serve out of the area, thus we didn't ship any fruit. In my opinion, collecting farmers' tax returns is neither a legitimate request nor legitimate criteria to judge authorized water use. It is also an invasion of farmers' privacy.

Page 16. Base lining. Basically this is a bad idea and should not be pursued. There is no consideration by the GWD for more water use due to a maturing orchard. In addition, a farmer may need to take out an orchard because it is not meeting his financial needs and replace it with a different type of orchard which will yield him more income. He may need more water to support this new orchard. He should not be penalized for making this type of sound business decision.

Base lining would be a huge administrative nightmare and expense for the GWD. To be equitable, all user classifications would be base lined. There would be numerous issues of homeowners changing landscaping or putting in pools. How would the GWD deal with UCSB and their constant facility expansion plus all the UCSB related housing that is being implemented? The GWD would likely hire a staff of "water police" to monitor the base lining, a huge added expense to the GWD. This expense would of course be passed on to all their rate-paying customers.

Table I-4. Development Envelope Allowances on Super prime Land. If I understand this table correctly, it appears that to qualify for an agricultural meter, a 5 acre parcel would have to have 4.75 of its total acreage planted. This is not always practical due to terrain, access roads and other issues. It therefore should not be criteria for granting agricultural water use.

The Master Plan Water Supply Assessment provided by Kennedy/Jenks Consultants to the GWD in March 2005 concludes that there is adequate water available through the year 2025 for all users in the GWD area. This projection includes allowances for increased agricultural use. Why did GWD staff ignore this data in writing this subject draft?

I interpret the subject staff report to imply that there is an excessive agricultural water use problem. The Kennedy Jenks study claims that supplies are adequate. We certainly do not have a water shortage crisis or a projected one. The Citizens Rate Committed should continue with their efforts. No rate changes or use definition changes are now justified. Agricultural users must be kept informed of this committee's progress to ensure a continuing open dialog and participation in the process that is critical to farmers' economic welfare.

Thank you for your consideration of my comments.

Sincerely,

David W. Harms

Cc: Directors  
Citizen Rate Study Committee  
Appropriate Staff