



**Colusa-Glenn  
Farm Credit Association**

**JUL 0 1 1998**

01504  
Federal Land Bank Association of Colusa  
Colusa-Glenn Production Credit Association  
Administration Office  
605 Jay Street, P.O. Box 449  
Colusa, California 95932  
916/458-4978

June 26, 1998

Mr. Rick Breitenbach  
CALFED Bay-Delta Program  
1416 9<sup>th</sup> Street, Suite 1155  
Sacramento, CA 95814

Re: CALFED Bay-Delta Programmatic EIS/EIR

Dear Mr. Breitenbach:

Thank you for the opportunity to provide input on the CALFED program.

Our two farmer owned cooperatives provide over \$100 million per year in operating financing to farmers in Colusa and southern Glenn counties, and has over \$65 million outstanding in farm real estate loans in Colusa county. The two cooperatives have approximately 700 borrower/stockholders.

In reviewing the draft EIS/EIR, we find many components that would result in serious adverse economic impacts to agriculture and the rural communities located in Northern California.

For example, the possible increased cost of water (outlined on page 8.1 - 37) of \$45 to \$72 per acre foot of water would be devastating to agriculture. Many of the farmers we finance are in fragile financial condition and would not survive with a water cost increase of that significance. Many farmers would become bankrupt, and this in turn would hurt area businesses, and could ultimately result in increased cost of food for our countries citizens.

It is essential that any CALFED solution not only protect farmers but also provide safeguards for third party impacts. Besides the impact on people, another third party that could suffer is wildlife. If water is transferred to Southern California, there will be less habitat for wildlife in the Sacramento Valley.

Mr. Rick Breitenbach

June 26, 1998

Page 2

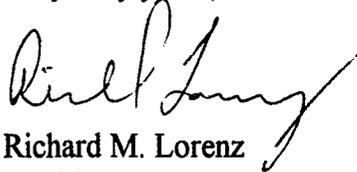
CALFED must not diminish water rights, and must protect water rights of landowners and historical water right holders. California must maintain its laws that have guided water use and allocation decisions since statehood.

When both the Central Valley Project and State Water Project were constructed, area of origin laws were enacted to ensure the Sacramento Valley's ability to grow with adequate water supplies. Increasingly, state and federal agencies and water users fail to recognize these laws and commitments. This is a high concern to agricultural lenders who must be certain of water rights remaining with the land which has been used as collateral for 20-30 year loans.

Building new storage facilities will be the best assurance that area of origin and water rights will be protected. Over reliance on water use efficiency measures and water transfer will not solve the Bay-Deltas problems, unless significant new surface storage reservoirs are built.

In conclusion, any solutions must provide assurances that the Sacramento Valley economies and environment will not be harmed.

Very truly yours,



Richard M. Lorenz  
President

RML:kc

cc: Senator K. Maurice Johannessen



**Colusa-Glenn Production Credit Association**

P.O. Box 449  
Colusa, California 95932

**JUL 0 1 1998**

Mr. Rick Breitenbach  
CALFED Bay-Delta Program  
1416 9th Street, Suite 1155  
Sacramento, CA 95814



98 JUL - 1 AM 10:52  
DEPARTMENT OF  
WATER RESOURCES  
SACRAMENTO

95814-9508 91



C-013886

C-013886