

November 6, 2014

Ms. Kelli Cahill, Planner III
Napa County Planning Building
and Environmental Services Department
1195 Third Street, 2nd Floor
Napa, CA 94559

RE: Walt Ranch: Draft Environmental Impact Report (DEIR)

Requested Action: Oppose

Dear Ms. Cahill,

I am submitting comments on the Walt Ranch Environmental Impact Report, Erosion Control Plan Application (ECPA) #P11-00205-ECPA for the development of 356 net acres of vineyard within 507 gross acres on the approximately 2300 acre Walt Ranch Project. A total of 65 vineyard blocks are proposed.

Below are my general comments of opposition as well as specific comments and/or questions relating directly to the DEIR.

General Comments

I am a resident of Napa County, 2457 Atlas Peak Road, where I and my family have lived since we purchased our property in August, 1988. I first moved to Napa County following my service in the U.S. Air Force in 1966 to attend Napa Valley College. I have an investment advisory business in downtown Napa which I opened in the mid-1980s.

As a Registered Investment Advisor (RIA), I am familiar with corporate operations of both private and public corporations, and the need to obtain maximum financial return on investments, or “maximize shareholder value.” The proponents of the project under review are Craig and Kathryn Hall, as owners of the Texas-based investment company, Hall Brambletree Associates LP (Frisco, Texas) (which is part of a web of Hall companies and includes as a General Partner, the obscure Phoenix/Inwood Corporation, also in Texas) and Hall Wines, LLC. Their sole fiduciary duty is to maximize financial return or financial self-interest for themselves and fellow investors, as long as in so doing no unlawful activities occur. As traditional and lawful fiduciaries of said companies, they are bound by the duties of trust, loyalty, care and good faith.

Hall Brambletree invested in Walt Ranch to maximize materialistic self-interest. The Walt Ranch investment is required to produce a profit for investors, as investors require a financial return. To obtain that return, it is important for Hall Brambletree to invest—in addition to real estate, other fixed assets and equipment—in community organizations, political leaders and policy makers. For example, Craig Hall pointed out,

“The contents of the Draft EIR were determined, not by us, but by the County.” That said, the Halls have given more than \$30,000 to county elected officials since just 2012, while the Walt Ranch project was moving toward the end of its environmental review process.

An early contribution was from Craig Hall to Supervisor Mark Luce - \$5,000 in February, 2012.

More recently, the Halls, through their businesses and children, have been the source of the largest campaign contributions to Napa Supervisor Bill Dodd for his Assembly campaign, cumulatively investing almost \$26,000 in Dodd’s race. While the Walt Ranch project has been working through the County’s environmental review, Craig and Kathryn Hall have each contributed \$7,350 for a total of \$14,700 to Supervisor Dodd. Just this past September, it appears the Hall’s children who live and work in Texas, contributed more than \$11,000 to one of the Dodd-for-Assembly fundraisers.

Cumulatively, the Hall family has given Supervisor Dodd \$25,847.34 in the last two years.

The Halls and their companies are not the only Texas-based or development-minded contributors from the wine industry. For example, not too far behind the Halls is another Texas company with vineyards in Napa – the Palmaz family, giving Dodd more than \$16,000 just this year. The Woolls family, whose Woolls Ranch project is also currently under consideration by Napa County, has contributed more than \$16,000 to Dodd.

Because campaign cash is fungible, Assembly Candidate-Elect Dodd is also able to fund other legislative candidates, the California Democratic State Central Committee, as well as Napa City council members including Alfredo Pedroza and Scott Sedgeley. Thus, political relationships and influence, both locally and statewide, are enhanced—a political return on investment, like other financial investments, is based on multiple of cash invested in such policy makers.

There is absolutely nothing wrong with political investments made by business leaders, or Assemblyman-Elect Dodd’s funding other political candidates and a political party. These political contributions are legal and transparent. But make no doubt about it, this is part of the way ordinary business is conducted in our country, and “investors” are looking for a return on their investment. Political investors, like financial investors, require a return on their investment.

The Halls and their companies have also generously donated and hosted fundraising events for non-profit community-based organizations, including the Humane Society and the Land Trust of Napa County, and various schools throughout Napa. These activities benefit Napa County residents.

Comments Regarding the DEIR

I find many parts of the DEIR lacking, objectionable and of concern, including the increased amount of disruption and environmental damage to Circle Oaks from intensified traffic flow, damage to existing roads by construction vehicles, and the resulting dust and noise throughout the residential community. I'm sure others, however, most directly impacted will specifically speak to these concerns and as well as many others.

However, the most important environmental impact resulting from this massive project, insufficiently addressed by the DEIR, is **the impact on overall water quality and quantity**, not only on the availability of water in Circle Oaks, but the entire Milliken watershed, including Soda Canyon and Atlas Peak. The danger of groundwater over-draught from the aquifer is not unlike what has already occurred in the Coombsville area of Napa through the overdrawn Milliken-Sarco-Tulocay aquifer, where groundwater levels have been significantly compromised for more than a decade.

The project envisions the destruction of over 28,000 trees and the annual use for irrigation and frost control of over 69 million gallons of water. This destruction and water-drawing is in addition to the already approved Circle S Ranch property vineyard development.

Specific DEIR Questions

1. According to the DEIR, the project proposes to utilize three existing wells, "may" develop three more, and then "future wells that may be developed are dependent upon the final flow from each existing well." (3-28) Exactly how many wells "may" be developed, and will the county rely exclusively on the applicant to monitor "theoretical water level draw-down," or will there be an independent third party monitoring and public reporting? Will the county itself also conduct independent monitoring?
2. According to the DEIR report on Hydrology and Water Quality (4.6-1), the proponent provides data for general levels of precipitation in Napa County and estimates a calibration used for the neighboring Circle S Ranch property as a long-term average of approximately 35 inches to justify a natural recharging of the affected aquifer that "would be expected to occur as a result of deep percolation of direct rainfall on the surface exposure of these rocks within the local watershed . . ." (4.6-18). According to the applicant, the average rainfall estimate is based upon the years 1917 through 2010, and a recorded rainfall of 35.2 inches measured on the neighboring Circle S property between November 2011 and November 2012, which does not measure the most recent drought years since that time. Shouldn't this most recent data be considered? What if the applicant's "estimate" is incorrect and our current drought continues for several years, or decades? What if the "natural recharging of the aquifer" doesn't occur, resulting in less or no water for Circle Oaks, Monticello, Soda Canyon, Atlas Peak and other residents?

Will the applicant or Napa County supply the necessary “trucked-in” water to all residential users impacted by an extended drought caused by over-draught pumping by the applicant?

The state of California is in a severe drought and historically, droughts are cyclical. Megadroughts have occurred in California that have lasted 10-20 years in a row during the last 1000 years – compared to the duration of the current drought. Past California droughts have lasted more than 200 years. Napa County’s annual rainfall in 2013 was reported at 4.17 inches, rivaling Las Vegas’ annual average of 4.15 inches, and substantially short of the 25 inches of average rainfall the National Weather Service generally forecasts for our area. Will Napa County place a bet on water availability based upon the optimistic numbers provided by the applicant? Shouldn’t the applicant provide a “worst case” scenario, including excessive drought estimates? The applicant uses an average annual precipitation figure of 35 inches to justify adequate aquifer recharging and offsets to possible reduced precipitation as well as evaporative losses from groundwater storage.

The applicant’s analysis determined that existing onsite groundwater wells to meet irrigation demands would not be expected to result in substantial lowering of groundwater levels in offsite wells or decreased availability of groundwater resources. However, the report then goes on to say:

[D]ue to the complex nature of well interactions within the Sonoma volcanics, combined with the area’s regional climatic variations, it is infeasible to predict with absolute certainty the long term impacts associated with groundwater extraction on the project site.

This statement should more appropriately read: “. . . it is impossible to predict with any degree of certainty . . .” And on matters of certainty, the report notes:

[T]he amount of groundwater available to wells...is highly dependent on well depth, and the frequency, openness, lateral continuity and degree of interconnection of the fractures and joints ... at a specific well site.

As we have been made recently aware, and the DEIR does not contemplate, one good earthquake could collapse existing water flows, or open new ones. How will the applicant or the County monitor or respond to these potentially significant occurrences?

Is Napa County-- considering evidence in the Central Valley of California, where aquifers have been compromised and the valley is actually sinking, and considering the recently over-drawn Napa neighborhood of Coombsville, and considering we may be in a long-term drought—willing to risk extremely diminished property values of residential and commercial property, because

of a lack of water resources caused by our groundwater being depleted by excessive county vineyard development? Will the applicant or Napa County compensate affected property owners for loss in property values?

3. The proposed project requires over 69 million gallons a year, a volume draw which has the potential to alter local groundwater levels and local groundwater flow directions. The mitigation measure suggested in the DEIR require the applicant “. . . to provide well monitoring data and analysis from a qualified professional geologist or a certified hydrologist on a seasonal basis to Napa County PBES Department.” So what? Is this professional paid by the applicant? Who is this? Why doesn't a third party professional independent of the applicant or the county provide this monitoring? Will this monitoring be left solely in control of the applicant? The fox now has both the chicken and the henhouse.
4. Pursuant to #3 above, if based upon such monitoring it is discovered that there are significant affects on the groundwater basin, the Director of Environmental Management “shall be authorized to require additional ‘reasonable’ conditions on the applicant, or revocation of this permit, as necessary to meet the requirements of Napa County Groundwater Ordinance and protect public health, safety and welfare.” How is “significantly affects” on the groundwater basin defined? What would be “additional reasonable conditions” on the applicant? Once groundwater is depleted, when will it be replaced? Who will replace it?
5. Pursuant to #3 above, is a lag of 2-3 months for data download enough time for the county to take action so that the affected residents' water will be protected? If not, who will supply water to residents who have lost water? Will the county and/or the applicant provide immediate financial compensation to the affected property owners to truck in water?
6. Pursuant to #4 above, a mitigation measure “suggested” shifting groundwater production to other onsite wells for a period of time if depletion is occurring. What if the entire aquifer is impacted? What if all onsite wells were affected?
7. Based on the questions posed above and the possible excessive continued drawdown of this aquifer, a more fundamental question needs to be asked: is there data available on the aquifer's total groundwater amount presently available? Do we have comparison data of water extraction from 50 and 100 years ago? As this DEIR is based on a very limited study of only a few wells with one residentially-used well for comparison, has the County more diligently surveyed private and commercial wells currently drawing from the aquifer in question to more accurately determine the amount of annual drawdown? Has data been recorded to determine changes in groundwater extraction based on changing residential and commercial uses over time? Has there been a comparison of vineyard irrigation and frost control uses to livestock watering and other historical uses of groundwater in this aquifer?

Can this aquifer continue to supply groundwater indefinitely into the future based upon continued and increasing residential and commercial extraction?

Concluding Comments

The applicant, in an attempt to secure the support of the affected residential community, has graciously endeavored to communicate with us to ameliorate any concerns regarding negative environmental impacts from the project. While this gesture is appreciated, it must be recognized as a common corporate practice of attempting to privatize an otherwise transparent and official public process. In a privatized process, verbal discussions both private and public, may occur, but there will be no transcripts, public records, formal contracts or agreements, and enforcement, sanctions and the rule of law will not apply.

Personally, I appreciate Mr. Hall's "sympathy" to my concerns (Adam Smith in The Theory of Moral Sentiments believed that human beings are naturally compassionate and sympathetic) regarding destruction of over 28,000 trees, describing such tree removal as "unfortunate." I also appreciate his sympathy regarding my concerns over the possible loss of groundwater resources for residential use because of his company's vineyard project. He specifically said that "all vineyards use water and our use compared to the whole property size is far lower than typical." I appreciate his sympathy and explanation, but I don't think it will replace my water or compensate me when my property value is affected.

Perhaps, Craig and Kathryn Hall and their investors would consider putting a lien on their personal and corporate property and other assets to compensate residential groundwater users if access to this natural resource is compromised; that is, reduced or depleted? Perhaps, this would be an adequate price for their sympathy for property owners who may lose the value of their real estate because of the elimination of the common aquifer. I'm not sure, however, how the applicant will compensate for the environmental damage that will be caused by the "unfortunate" destruction of over 28,000 trees.

This massive project destroys considerable natural resources and has a significant negative impact on our climate. While it is difficult to measure the specific impact of this particular project, including the Circle S vineyard project, it will certainly not improve the ecosystem, wildlife or result in overall improved environmental sustainability.

The difficulty in analyzing specific projects' negative impact on climate, is that it is global: the relevant causes and effects and the agents behind them are spatially dispersed throughout the globe. They are intergenerational, as the relevant causes and effects and the agents involved are temporally dispersed. The reflection on the problems attending climate change is hampered by our theoretical ineptitude, when combined with the spatial and temporal features, and can lead to a kind of moral

corruption. As each act is nothing in itself, and as each person does no obvious wrong, together the results are catastrophic.¹

I urge Napa County to immediately halt all vineyard development and impose a moratorium in an effort to thoroughly evaluate the impact on future groundwater resource availability for long-term sustainable use by Napa County residents and businesses. It is important to realize that 80% of water use in our state is for agricultural purposes. Such a long-term study should be public, transparent, and managed by an independent public commission comprised of diverse interests dedicated to responsibly protecting and preserving the natural environment and the community we love and enjoy.

In the Napa Valley we live in a monoculture of grapes and wine. As the applicant has stated: "Agriculture, and specifically vineyards, is a part of the heart and soul of Napa." If the wine industry in Napa County is to succeed and prosper as an agricultural industry, it must maintain its long-term viability, be economically competitive within its sector and above all, be environmentally sustainable. Without adequate groundwater resources to meet commercial and residential requirements, the wine industry in Napa County will fail. It will destroy itself; and indeed, the lifeblood of our economic community will be impaired, and our unique environment and way of life lost forever.

Thank you for the opportunity to put my views forward.

Sincerely,

John Harrington

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¹ The Effects of Climate Change: Right and Wrong in a Warming World, 2008, James Garvey, pp. 59-61.

