their principal occupation (Archibald 1990). These operations, which could include hobby farms, are probably much smaller than commercial operations. Therefore, the average size of commercial operations is likely much larger than reported. These data limitations make it difficult to assess the true proportion of the farm industry represented by small commercial farms.

The other measure used to develop an indication of whether or not small farms are affected is average gross revenue per acre. This information was obtained from the USBR and the same data is used in the RIA. As discussed previously, the areas where impacts may be concentrated are primarily the westside of the San Joaquin Valley, especially Westlands Water District and Kern County. Values of \$1100-\$2300 an acre are indicated by this data. These estimates are further confirmed by the average value of \$1413 an acre found in a recent University of California report (Carter 1992.) Thus using the range of values for gross revenue per acre and the more conservative definition of irrigated land per acre for the Westside, farms average approximately \$600,000 -\$1,120,000. This does not meet the SBA definition. In addition, average farm size in the Westlands Water District is much larger, leading to average estimates over \$1 million per operator. In Kern County, however, gross revenue per acre averages \$1863 and therefore to meet the SBA definition a farm would have to be unusually small (under 270 acres.) These estimates indicate that a substantial number of small entities would not be substantially affected.

The farms in the CVP area (westside Fresno County) are subject to the U.S. Department of Interior 960-acre limitation on farm size for the receipt of subsidized water. Although the degree of compliance with this limitation is in question, a recent legal settlement by the U.S. Department of Interior will increase the enforcement of this acreage limitation. Using the measures of average gross revenue per acre, farms that approach the acreage limitation are not considered small farms using the SBA definition.

Type of small farm by crop type was also investigated to provide another indication of farms potentially affected by State Board action. As discussed in the RIA, State Board action consistent with this rulemaking would likely result primarily in field and forage crop displacement. In 1987, small farms produced 40% of all irrigated hay and field crops harvested and 30% of all nonfeedlot cattle sales in the state (U.S. Dept. of Commerce 1989). Approximately 80% of the irrigated hay and field crops and 50% of nonfeedlot cattle are raised in the Sacramento Valley and San Joaquin Valley counties (U.S. Dept. of Commerce 1989). Such cattle production is the principal use of irrigated pasture in California. These percentages are substantially lower than the overall percentage of cropland in small farms. In other words, large farms (i.e., farms with annual sales exceeding \$500,000) account for a disproportionate share of the production of the crops and livestock that might be displaced by the projected water supply reductions.

While these measures indicate that the State's implementation of the criteria in this rule will not affect a substantial number of small farms, given that the measure was developed from averages, there will exist in every irrigation district some small farms. Westlands Water District reports that 125 farms are 320 acres or less (a 320 acre farm grossing \$1400-\$1500 an acre would meet the SBA definition of a small farm.) Thus, without survey information, we cannot completely conclude that all small farms would not be affected by State Board action.

The RIA conducted for this rulemaking indicates that if previous implementation procedures are followed, impacts may be concentrated in geographic subareas. The State does have implementation flexibility to spread the impacts to a greater geographic area. This would have two offsetting impacts in relationship to farm size. First, the impacts overall will be decreased so that impacts would be less concentrated in subregions, possibly to insignificant levels. Second, however, in spreading the impacts more broadly, the State will be spreading it to areas with small farms.

Within irrigation districts with project water, junior water rights and little access to groundwater, even the State may have little implementation authority to assess or minimize impacts by farm size. A Stanford University study explains:

Most farmers receive their water from a local district (generally an irrigation, water, or water storage district) or from a mutual water company * * * local districts have considerable discretion over the acquisition, allocation and pricing of water. The nature and limits of the discretion, however, vary among districts depending on the laws under which the district was formed, any special legislation unique to a district, and a district's local rules and regulations. (Center for Economic Policy Research 1992.)

G. Enhancing the Intergovernmental Partnership Under Executive Order 12875

In compliance with Executive Order 12875, 58 FR 58093 (October 28, 1993), we have involved state, local, and tribal governments in the development of this rule. In addition to the substantial participation by state and local governments and local agricultural and municipal water districts in the public commenting process, several activities have been carried out since the publication of the Proposed Rule. These include:

(1) The State of California and the Federal government (represented by the EPA, the Department of the Interior, and the Department of Commerce) have negotiated and this past summer signed a Framework Agreement laying out the institutional processes and mechanisms to be used to coordinate state and Federal activities affecting water quality and water development in the Bay/ Delta. The Framework Agreement specifically included (a) a process for Federal and state adoption of water quality standards meeting the requirements of state and Federal law, (b) a structure and process for technical coordination of the state and Federal regulatory activities affecting operation of the state and Federal water projects in the Bay/Delta (the SWP and the CVP), and (c) a process for developing a Federal-state partnership for long term planning for water resources in California. Many of the steps envisioned in the Framework Agreement have already been accomplished. The Framework Agreement explicitly called for the final Federal promulgation of a water quality rule, which is being accomplished in this rulemaking.

(2) EPA has held a number of workshops with representatives of the municipal and agricultural water districts to discuss the Proposed Rule and the accompanying draft economic analysis. Further, EPA has participated in additional workshops sponsored by the California Urban Water Agencies (CUWA) to discuss CUWA's scientific comments on the Proposed Rule.

(3) As envisioned by the Framework Agreement, the State Board has held a series of workshops to assist in developing revised State water quality standards meeting the requirements of the CWA. EPA has participated in these workshops and, in accordance with the State Board's processes, has presented the State Board options for possible standards that would meet the requirements of the CWA.

(4) EPA has worked closely with the California DWR to ascertain the