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MAY 06 1998

May 4, 1998

Subject: CALFED Bay-Delta Program

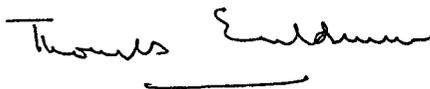
Dear Mr. Snow,

I am writing to express my concern over, and opposition to, the CALFED Bay-Delta water program. I urge that the premises behind the present proposals be reconsidered and that the water demand issues be given at least equal priority to those of supply.

The premises behind the CALFED Bay-Delta program are that the present water supply allocation within the State is totally immutable, and that increased demand must be met by increasing water supply. Ultimately, these premises are manifestly absurd: there will come a point where there simply is no additional water supply obtainable. We are already close, but the current CALFED proposals show that where there is a will, unlimited money and little concern over the environment, some additional water can be found, at least in the short term. (As ground water supplies are depleted, even unlimited funding is unlikely to increase the available water.) Instead of trying to squeeze still more water out of the Delta and the few rivers not yet completely committed to ag and urban water supply, I urge (indeed, I beg) you to consider what existing water supplies are being used *for*. We are growing vast amounts of cotton, rice and alfalfa in a natural desert. Why? Mainly because the water to do so is being provided at very, very low cost, under huge subsidies. Obviously, there will always be more demand for water if it is given away. The demand can easily be controlled by letting free markets allocate it. Doing so will certainly reduce the production of the most water-intensive crops but nowhere near the point where there is any shortage. Reduced production in California can readily be replaced with incremental production in other parts of the U.S. There are many less water-intensive crops which can be grown in the Central Valley to replace cotton, rice and alfalfa, and which will support a higher, though still reasonable, water price. We hear a lot about the growing demands for urban water and the profligate use of it in suburbia. In fact, urban water users consume less than 15% of the State's water, and they should have the right to bid for their needs against other consumers. The present major premise guiding the State's water policies, that agricultural water users should be provided with whatever water they want at enormously subsidized prices, is simply ludicrous. Any plan, including the CALFED Bay-Delta proposal, based on this premise should be rejected out of hand.

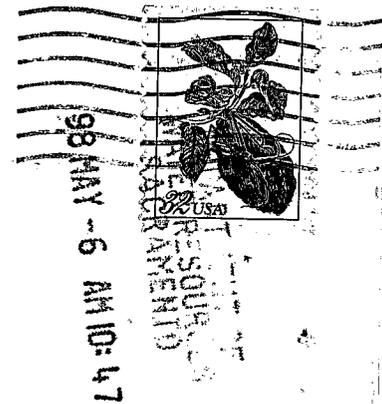
I urge that the CALFED Bay-Delta proposals be completely reconsidered, starting with a program to establish a sustainable basis for the State water supply, with emphasis on market pricing of this resource. Any water supply proposal which does not include an open market, with market-driven pricing, for water cannot result in either a rational or a sustainable water policy. It is time to come to grips with this aspect of Reality.

Sincerely yours,



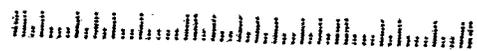
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