

June 30, 1998

CALFED Bay-Delta Program  
1416 Ninth Street, Suite 1155  
Sacramento, California 95814  
Attn: Mr. Rick Breitenbach

Re: Comments on Draft Programmatic Environmental Impact Statement/  
Environmental Impact Report for the CALFED Bay-Delta Program

Ladies & Gentlemen:

As a private citizen who is not affiliated with any group represented on the Bay-Delta Advisory Council, I have attended several meetings of CALFED work groups and the BDAC Meeting in Fresno on June 18, 1998. I am particularly interested in water transfers and marketing. In other "traditional monopoly" industries (e.g., telecommunications, natural gas, and electricity), introducing competition and allowing greater private sector involvement has resulted in lower costs, better service, and greater innovation. I believe these experiences are applicable to water.

In particular, I feel an aggressive, CALFED-backed water marketing program would be a less costly and less environmentally harmful way to address the state's water supply and reliability problems than the "three best alternatives" indicated in the programmatic EIS/EIR documents.

I am encouraged to see that, in recent public statements, Governor Wilson, Interior Secretary Babbitt, 28 business leaders in California, and 16 members of California's congressional delegation all seem to share my enthusiasm for creating a robust water market as a "first priority" CALFED action. Unfortunately, having attended many Water Transfer Work Group meetings, I can attest that such a program has not been discussed and is not being considered. In contrast, the Work Group favors a "business as usual" approach toward water transfers.

To define why and how a more aggressive water transfer and marketing system -- patterned after the recent deregulation of the electricity industry in California -- could be used to improve the management of the state's water resources and to defer (or avoid) the need to build new, expensive, taxpayer-financed dams and reservoirs, I have prepared the attached paper, *Creating A Viable Water Transfer Market in California by Adopting a Market-Based Approach to Pricing "New Water."* Please include the alternative water transfer plan presented in this paper in the administrative record for the Programmatic EIS/EIR on the CALFED Bay-Delta Program.

I also request that you forward a copy of this paper to the Water Transfer and Finance Work Groups for their consideration. I would be please to provide further information upon request.

Sincerely,



Ronald J. Enzweiler

Encl.