

**ENVIRONMENTAL DEFENSE FUND
THE BAY INSTITUTE
SAVE SAN FRANCISCO BAY ASSOCIATION**

November 6, 1998

Mr. Robert Potter
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Department of Water Resources
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Dear Bob:

Thank you for responding to our letter of September 17, 1998, regarding Tom Clark's assertions concerning the impacts of reductions in water deliveries to CVP and SWP contractors as a result of environmental protections.

We appreciate your clarification that Tom's estimates do not refer to average year impacts, but only to impacts that would occur during a repeat of the very dry conditions experienced between 1986 and 1992. As a general rule, DWR reports values for both average available supply and dry period supply. We agree that this is the most appropriate practice.

The confusion about the numbers seems to derive from Tom's assertion, in the informal setting of the Policy Group meeting, that since 1994, only 3.7 million acre-feet (MAF) was available to meet a total demand of 6.0 MAF. We understood his implication to be that this "shortfall" had in fact occurred in every year, and was not expected only in dry years. Your letter was helpful in this regard.

Nevertheless, significant discrepancies in estimated water supply impacts remain. These discrepancies can be clarified by comparing projected future deliveries to three different "baseline" estimates. These baselines are (1) the 6.0 MAF of south-of-Delta project demand (used by Tom), (2) DWR's DWRSIM study incorporating the defunct D1485 standards and a 1995 level of development, and (3) actual Delta exports since 1975.

Using 6.0 MAF of demand as a benchmark ignores the fact that in a drought, even with the underprotective D1485 standards, the export projects could not meet full demand. It is not appropriate to attribute the impacts of dry weather to environmental standards. Moreover, the estimate of 3.7 MAF of water supply availability under current regulatory conditions is less than projected by any of DWR's studies. The figures Tom Clark provided to the Policy Group are summarized below.

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Clark's Assertions	South-of-Delta SWP and CVP Deliveries (MAF)		
	"Demand"	ESA + Accord ¹	Impact
Undefined Period	6.0	3.7	2.3

However, DWR studies indicate that the impacts of these environmental protections are much lower than suggested by Tom. DWR's D-1485 study and its CVPIA b2 study (549new) estimate project deliveries based on a 1995 level of development. The baseline D-1485 study shows the higher level of delivery because it includes a lower level of environmental protection. A summary of DWR's annual estimates is provided below, for both the entire study period and the 1986-1992 dry period. The average year estimated impact is 0.5 MAF. The dry period estimate is 1.1 MAF, or less than one half of Tom's assertion.

DWR Studies	South-of-Delta SWP and CVP Deliveries (MAF)		
	D1485	ESA + Accord + CVPIA	Impact
1922-1994	5.9	5.4	0.5
June 1986 - September 1992	5.0	4.1	1.1*

* includes adjustment for the difference in end-of-period total storage

If the "impacts" of the CVPIA, ESA and SWRCB protections are compared with actual annual deliveries over the last 20 years, the results are particularly revealing - the water users would actually export, on average, 700 thousand acre-feet (TAF) more per year than they did over this period. The reason for this result is that demand for water has dramatically increased over the last decade. The fact is that the problem is not "draconian" environmental protections, but substantial increases in consumptive use of water. The recent implementation of environmental protections would cause a reduction below actual levels only during dry years, as is shown by an estimated annual difference of 500 TAF during a repeat of the 1986-1992 dry period. A comparison of actual Delta exports with those projected under current regulations is shown below.²

Actual vs. DWR Period	Total Delta Exports (MAF)		
	Actual	ESA + Accord + CVPIA	Impact
1975-1994	4.6	5.3	-0.7
June 1986 - September 1992	5.0	4.5	0.5

¹ Tom's assertions do not include impacts due to implementation of Interior's CVPIA Delta Actions, which are currently the subject of litigation. DWR's study shows greater supply availability, even though it includes those additional environmental protections.

² Delta exports, rather than project deliveries, are shown here, as actual project delivery data has not been made available to us.

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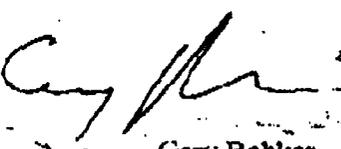
In sum, DWR's own figures demonstrate our point: The environmental protections of the last few years have had, and are likely to have, relatively limited impacts on consumptive water supply. Even with these protections in place, water exporters will be able to obtain more water than they used on average over the last 20 years.

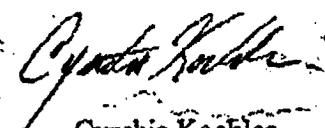
We feel it is critical to have a common understanding of these numbers, and we are pleased that you share our notion that such figures must have a rigorous technical basis. Without a clear and accurate sense of recent and historic water use and the true water costs associated with recent environmental protections, it will be all the more difficult to forge a lasting and prudent water supply reliability program.

Please let us know if you would like to discuss this issue further.

Sincerely,


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Environmental Defense Fund


Gary Bobker
The Bay Institute


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Cc: Mr. Robert Perciasepe
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