

San Joaquin Valley Drainage Program

CITIZENS ADVISORY COMMITTEE

POLICY STATEMENT
ON
REPAYMENT OF KESTERSON RESERVOIR CLEANUP
AND THE
SAN JOAQUIN VALLEY DRAINAGE PROGRAM COSTS

May 1988

The Citizens Advisory Committee to the San Joaquin Valley Drainage Program consists of 14 individuals of diverse backgrounds and interest united in their conviction that solutions must be found to drainage problems in the San Joaquin Valley which are both economically and environmentally sound.

The committee members understand that the problems being confronted are technologically complex and politically controversial and are likely to require expensive remedies. Major controversy has already erupted regarding the proper method of addressing the problem of cleaning up Kesterson Reservoir. Controversy also lurks in the background regarding who else besides the U.S. Government, if anyone, bears responsibility for repayment of the Federal Government's costs of whatever cleanup method is ultimately selected; controversy also exists regarding who, if anyone, should repay the costs of the San Joaquin Valley Drainage Program (SJVDP), a U.S. Department of the Interior--State of California joint program distinct from the U.S. Bureau of Reclamation's cleanup program. And, eventually, as the SJVDP and others turn toward the implementation of proposed solutions to the valley's drainage problems the issue of financial responsibility will arise in still a third context.

This statement addresses only issues of financial responsibility. It is premature to address what the best physical, technical, and institutional solutions to the valley's drainage problems may be and committee members are divided on how the Kesterson cleanup issue should be handled. However, the committee as a whole believes that a united approach to the issues of financial responsibility holds great promise for facilitating solutions to the valley's drainage problems that are

broadly acceptable to the various public and private interests affected by these problems. And they have agreed to make a concerted effort over time to reach consensus on these financial issues. This statement is the first expression of this consensus-oriented effort.

The financial responsibility issues can be viewed from many different perspectives. One such perspective, the legal, the committee must expressly disavow. Several opinions of the office of the Solicitor of the Interior, interpreting statutes passed by the Congress, have addressed Kesterson and SJVDP repayment issues. This committee expresses no views either on the validity of those opinions or on how they should be interpreted by the Secretary of the Interior as he strives to take a position on repayment. Instead, the committee's intent in making this statement is to express its views on what are proper repayment policies and then to leave to the Congress, the State Legislature, the Secretary, and other decisionmakers the determination whether new laws or legal opinions may be required to implement the suggested policies.

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Kesterson Reservoir Cleanup

The committee believes that the principal responsibility for the costs of cleanup of Kesterson Reservoir should be borne by the U.S. Bureau of Reclamation. The Bureau, in conjunction with the U.S. Fish and Wildlife Service, chose Kesterson Reservoir as an appropriate site for the disposal of subsurface agricultural drainage from the Westlands Water District portion of the San Luis Unit. Moreover, the Bureau has been collecting drainage fees for nearly a decade from all the San Luis Unit contractors, without apparent benefit for those contractors. (On the other hand, the level of the current drainage fee [50 cents per acre foot] is unlikely to be sufficient to meet the actual costs of handling the Unit's drainage problems.) Finally, the contractors had relatively little influence over where their drainage was disposed of. For all these reasons and others, the committee believes that the equitable resolution of the Kesterson repayment question is to have the Bureau absorb the lion's share of Kesterson cleanup costs, without reimbursement from water users.

San Joaquin Valley Drainage Program Studies

On the other hand, the committee believes that the beneficiaries of the San Joaquin Valley Drainage Program should bear responsibility for payment and/or repayment of all the costs of the Program which are

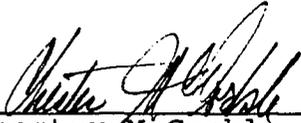
fairly attributable to them. The benefits of all the various aspects of the Program are not subject to precise allocation formulae at this time. Certainly, a successful program will have a diverse set of beneficiaries, including Federal, State, and local water districts and their water users, as well as the public at large, which has interests in both the quality of water for drinking purposes and fish and wildlife protection. But the committee does believe that general criteria linking relevant research and development activities to their most direct beneficiaries can be fashioned. For example, costs of treatment and disposal research and development should be the primary responsibility of the affected water districts and their water users. On the other hand, primary research generating baseline geological and environmental information should be a shared public/private responsibility. The results of this research should directly benefit not only the affected economic interests but the greater publics, regional, state, and national affected by drainage problems. To the extent the research benefits these broader public interests, it should be borne by them and not be subject to reimbursement by the water users.

Solutions

Finally, the committee recognizes that a definitive statement on the allocation of financial responsibility for implementing solutions which arise out of the SJVDP and from other sources must ultimately await the actual development of those solutions. It does agree, however, that a formula tying costs to benefits, as was suggested above in proposing a methodology for handling the existing SJVDP costs, will lead to the most appropriate resolution of future funding and repayment questions as well.

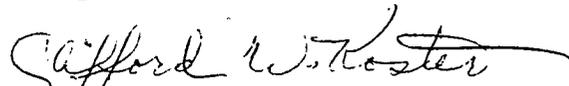
In this connection, it is important also to be aware that among the probable solutions to the valley's drainage problems are several which may in themselves be capable of generating substantial revenue that in the overall economic calculus could be a major offset to the solutions' cost. The leasing or sale of conserved and/or reclaimed water; sale of electricity from cogeneration plants or solar ponds; sale of salt or other byproducts of treatment and disposal plants--these are all possible sources of revenue as solutions to the valley's drainage problems are developed. As the feasibility of these possibilities is examined and proposals for their implementation are developed, revised formulae for cost and benefit allocation are likely to suggest themselves.

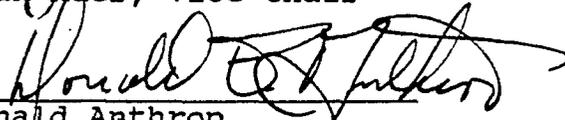
The committee, at this juncture, looks at all these possibilities from an optimistic perspective. They give hope and reason for diverse interests to work together in addressing the valley's vexing drainage problems. With its own common effort, as exemplified by this statement, the committee will make its own contribution to progress in converting these problems into solutions.

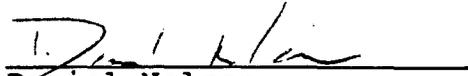

Chester McCorkle, Chair

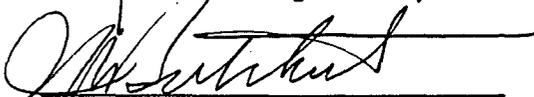

Stephen Hall

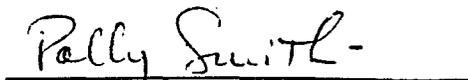

Jean Auer, Vice-Chair

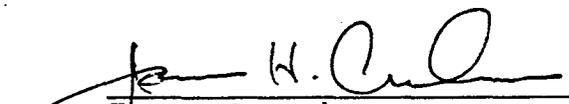

Clifford Koster

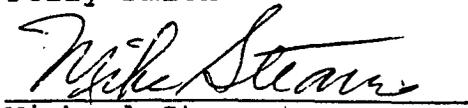

Donald Anthrop

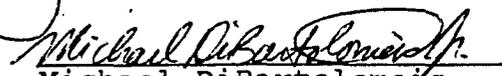

Daniel Nelson

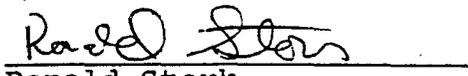

Jerald Butchert

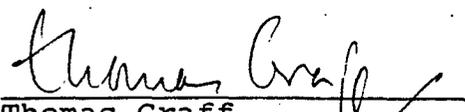

Polly Smith


James Crenshaw


Michael Stearns


Michael DiBartolomeis


Ronald Stork


Thomas Graff


Joseph Summers