



**CALFED
BAY-DELTA
PROGRAM**

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February 28, 1997

Alex Hildebrand
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Dear Alex:

Thank you for your comments on the proposed CALFED approach to agricultural water use efficiency. Your effort to clarify positions and underlying perceptions is quite useful because it reveals significant differences in the ways we view the agricultural water use efficiency approach.

I agree with you that, generally, incentive-based programs are more likely to produce positive results than regulatory programs. We have stressed this point repeatedly in the Water Use Efficiency Work Group. However, I don't believe that the proposed approach to agricultural water use efficiency prescribes a "controversial level of non-discretionary compliance." To the contrary, we propose a two year opportunity for agricultural interests to demonstrate that a voluntary program can be successful. The approach does not call for inflexible universal implementation of efficiency measures, but relies on the approach in the *Memorandum of Understanding Regarding Efficient Water Management Practices by Agricultural Water Suppliers in California*: analyze a range of measures and implement those that are cost-effective and feasible.

We have achieved a remarkable degree of consensus on the need for assurances in the Bay-Delta Program. The disagreements arise when a stakeholder group fails to see the need to provide credible assurance of its own good-faith participation in achieving a comprehensive solution to Bay-Delta problems. This need for assurances should not reduce any voluntary efforts, as you fear that it will. Indeed, assurance mechanisms are necessary... elements of our Program that should never need to be implemented because universal good faith renders them irrelevant.

You ask whether it is reasonable to have an enforcement mechanism other than the SWRCB's responsibility for reasonable use. We believe other mechanisms are more appropriate, and we recommend some general assurances based on the Governor's water policy and existing policies of DWR. We propose that demonstration of appropriate planning and implementation will be necessary prerequisites for an agency to be eligible to:

CALFED Agencies

California

The Resources Agency
Department of Fish and Game
Department of Water Resources
California Environmental Protection Agency
State Water Resources Control Board

Federal

Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
Department of Commerce
National Marine Fisheries Service

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- receive any "new" water made available by a Bay-Delta solution,
- participate in a water transfer, and
- receive water through the DWR Drought Water Bank.

The use of conserved water is another issue that has been discussed in the Work Group. As you state, some may assume that all water savings should accrue to increased stream flow. The Program does not prescribe the disposition of conserved water but rather relies on local water management decisions and an effective, properly regulated water transfer market. We recognize that augmentation of flows at particular times will be an essential part of our ecosystem restoration efforts. We will examine several alternatives for acquisition of this water, including reoperation of existing reservoirs, development of new water storage for ecosystem restoration, as well as other beneficial uses, changes in local water management that can help us meet multiple objectives, and water transfers from willing sellers who may make water available in several ways including more efficient use.

I welcome your offer to forward a specific watershed plan for the San Joaquin system. Watershed management is a complex issue that we are still working to incorporate into our alternatives. The Water Use Efficiency Work Group, which is focusing on the management and use of water diverted from the system, will not be the appropriate forum to begin policy discussions on watershed management. This is a point we have discussed at several BDAC and Work Group meetings.

Finally, I believe it is inaccurate to describe agricultural water management planning as a "discretionary prerogative." To the contrary, water management planning is a fundamental of reasonable use, and uniform planning as prescribed by the Agricultural MOU is the best way to demonstrate this reasonable use in the agricultural sector. You frequently point out that we need to plan for twenty million more Californians. Some users may be unaccustomed to the level of efficiency analysis, documentation, and implementation we are coming to ask of them, but increasingly sophisticated and efficient management of our water supplies is one of the essential ways that we will be able to accommodate millions of additional water users. As our population grows, so too will our need for clear demonstration of efficient use.

Sincerely,



Peter A. Dink
Executive Director