

## DELTA/CALFED

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OPINION/CalFed is not the best water policy

By George Miller, Congressional Representative

The water project proposals offered last week by a team of federal and state officials appear to ignore the history of water reform in California, including a major law Congress passed nearly six years ago that promised to change the way California managed its water resources by removing barriers to the open marketing of water, promoting transfers and reforming water contracting and pricing.

For most of the preceding century, the answer to water demands from growing cities and expanding agribusiness was to build dams, canals, groundwater pumps and other facilities. Water users became addicted to big public works projects and their massive subsidies, quick fixes and guaranteed water supplies. Meanwhile, the financial losses and environmental impacts of the big water projects were left for future generations.

We are that "future generation," and once again, we are facing the prospect of billions of dollars in new water project construction before we have made serious efforts to implement reforms that could satisfy much of California's water demand. **Even the CalFed program -- the joint federal and state team that supposedly is the state-of-the-art in water policy -- has failed to push hard for water management reforms. Instead, CalFed officials at the state and federal levels seem to be fixated on the old-fashioned and expensive water projects.**

Water transfers are just one example of a simple reform that could sharply reduce the need for expensive new reservoirs. As Frederick Cannon, Executive Vice President of the Bank of America, has noted, "a fully developed, appropriately regulated water market would help relieve a significant degree of the existing uncertainty about water supplies."

But few transfers have been approved under the law Congress passed, the Central Valley Project Improvement Act (CVPIA), and the Legislature has done nothing to promote a true "open market" in water. As the examples of energy, utilities and

telecommunications illustrate, a market oriented approach generates additional supply, efficiency and competition. Other western states like Colorado and Oregon rely on transfers; California must do the same.

Nor have federal water officials implemented the CVPIA's reforms on water pricing that would encourage conservation. For decades, farmers in the Central Valley (who traditionally have used the lion's share of water from the Central Valley Project) have paid a small fraction of the true cost of their irrigation water, a fraction of what farmers in San Diego pay, often to grow water-intensive and surplus crops. The law says to stop the subsidies for wasteful use, but little has happened.

Limiting groundwater pumping is another way we could avoid expensive and destructive water projects. But the state government has for decades buckled to pressure from irrigators and refused to enact a groundwater management program like Arizona and other states.

Groundwater depletion was one of the major rationales for building the multibillion-dollar Central Valley Project, but thanks to non-regulation, overdrafting is as bad now as in the 1930s, or worse. No California water program is credible without addressing the sound management of groundwater usage, but CalFed, while extolling additional groundwater storage, is largely silent on the need for managing withdrawals.

Nor does CalFed, which contemplates sending even more irrigation water to the Central Valley, include definitive plans for reducing the severe environmental and wildlife problems we saw at Kesterson Reservoir a decade ago. Valley irrigators still dream of a drain to dump their waste into the Sacramento-San Joaquin River Delta, a foolish and costly scheme that isn't going to happen. CalFed cannot credibly discuss increased storage and deliveries of irrigation water without addressing drainage water quality problems.

CalFed participants have worked hard, and they deserve credit for their contributions to the water debate. But as with past efforts, CalFed is demonstrating a reluctance to crack down on water waste. Urban and irrigation conservation, changes in the crops farmers grow and waste-water reuse could probably

generate more water than the \$11 billion worth of new projects that CalFed has proposed, and at a tiny fraction of the price.

California's taxpayers must not let CalFed, or the state or federal agencies that comprise it, duck the hard questions.

[MILLER represents the California's 7th Congressional District, which includes parts of Contra Costa and Solano counties. He is the senior Democratic member of the House Committee on Resources and author of the Central Valley Project Improvement Act of 1992.] ##