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STATEMENT REGARDING CALFED BAY DELTA PROGRAM

The CalFed Program is an unprecedented opportunity. Never before have all of the responsible state and federal agencies joined together with the affected water user interests and environmentalists to develop an official plan for mutual improvements in the central valley water system that go beyond any requirements of law. We may never see this convergence of hopeful circumstances again. If it can succeed, it will restore ecosystem functions and habitat long lost to water and land development while, at the same time, making water supplies more reliable and healthy for municipal water systems and irrigators. The restoration opportunity is backed by, potentially, over a billion dollars in federal and state funding.

This is an opportunity that cannot be allowed to fail, in NHI's view. That is why we have contributed staff the CalFed effort from its inception.

The key to success is high-confidence technical analysis to illuminate solution pathways that bring all stakeholders out better than they are today. Conventional and myopic visions coupled to positional brinkmanship by the stakeholders are the surest way to defeat the potential.

We are worried specifically about a tendency to confuse additional surface water reservoirs--the last hurrah of an obsolete era--with improvements in water supply reliability. Water management innovations such as managing existing reservoirs in conjunction with groundwater banking and coupling this with water efficiency improvements through market incentives provides a much superior pathway. Progress needs to be made on these better alternatives. The ecosystem restoration plan lacks a coherent sequence and implementation strategy. The current vision is too timid because it is confined to the short-term. This must be improved. A package of mutual assurances for benefits must be developed. This will require the existing agencies to yield some measure of their current authority and prerogatives to a new management structure. The basis for selection of a delta diversion facility option must be unimpeachable technical analysis, not preconceptions. Protection of biological resources and drinking water quality must predominate over other considerations. Constructive engagement of the stakeholders can only help CalFed find the options that can advance all agendas simultaneously. In our view, the lack of such a dialogue at this time is likely to limit and impair the potential of this program.