



California Farm Bureau Federation

DEPARTMENT OF ENVIRONMENTAL ADVOCACY

1601 EXPOSITION BOULEVARD, FB 3
SACRAMENTO, CA 95815

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CAROLYN S. RICHARDSON, Director
DAVID J. GUY
RONALD LIEBERT
Attorneys at Law

TELEPHONE (916) 924-4036
FACSIMILE (916) 923-5318

November 19, 1996

Lester Snow
Executive Director
CALFED Bay/Delta Program
1416 Ninth Street, Suite 1155
Sacramento, CA 95814

Re: Water Transfers - CalFed Bay Delta Program

Dear Lester:

The California Farm Bureau Federation appreciates the October 10, 1996 memorandum that you prepared regarding water transfers in the Bay-Delta Program. We have stated from the outset of this process that Cal-Fed should recognize water transfers as an important component of water management in the delta. We also agree that Cal-Fed and the Bay-Delta Advisory Council (BDAC) have little opportunity to address water transfers beyond the broad policy framework that you have prepared. As you have wisely suggested, discussions on the details of water transfers will and must take place in other forums.

Although the water transfer discussion will occur outside of the Cal-Fed process, there are still several water transfer issues that Cal-Fed must consider in formulating a preferred alternative. These issues will be discussed first, followed by a discussion of Farm Bureau's intent with pre-print S.B. 15 (Costa), the Model Water Transfer Act.

I. CALFED WATER TRANSFER ISSUES

A. Transfers Are No Substitute For Storage

Water transfers are not and cannot be considered a substitute for the Cal-Fed storage component. Any meaningful solution must include additional water

conservation in the form of storage. Additional storage will be necessary for durability in light of the population projections made by the Department of Finance. Water transfers are clearly not a long-term substitute for storage, but instead will only be effective as a complement to the storage components of the program.

B. Transfers Need Additional Assurances

Additional assurances will be necessary to transfer water as part of the Cal-Fed solution. The assurances work group is the logical place for this discussion to begin. As we mentioned at the last BDAC meeting, a particularly important assurance is the protection of third-party water right holders, which should be explicitly included in your Cal-Fed policies. This of course includes the protection of groundwater, which is critical to farmers and ranchers. We will provide detailed comments on the Cal-Fed conjunctive use program under separate cover.

C. Transfers Are a Management Tool, Not An Efficiency Measure

As we have stated on several occasions, water transfers are not an efficiency measure any more than they are a substitute for water storage. Granted, water transfers can incite and in some cases provide the funding for more efficient water measures on a local basis, but the transfer of water in itself is not an efficiency measure. Your October 10, 1996 memorandum on the role and scope of the water efficiency workgroup hints at this distinction, but there is still a concern with program efficiency being defined as the "level of utility obtained from a unit of water." This can easily be interpreted to suggest that reallocating agricultural water to urban uses is somehow more efficient because it may produce greater economic value per unit of water. Although this may satisfy a purely economic test, we know that there are other important considerations in the Bay-Delta. Water cannot be treated as a pure commodity and therefore any decisions made only on this basis are flawed. Water transfers are simply a tool for local water management, and are not an efficiency measure.

D. Internal Consistency

As component refinement take places, it is very important that any potential component satisfy not only the solution principles, but also the policy directions that have been established by Cal-Fed and blessed by BDAC. Several issues come to mind as an example. First, an express policy decision was made at the end of Phase I that

“temporary and permanent land conversion does not improve water use efficiency and will not be included in the Cal-Fed water use efficiency component.” This policy decision was clearly intended to apply to water transfers as part of Cal-Fed, even though as previously discussed, transfers are not an efficiency measure by themselves. Also, to be considered as part of the preferred solution, any water that is transferred (i.e., the San Joaquin River) must satisfy the transfer policies. This internal consistency is critical to the success of the program.

E. Compliance With CEQA

As part of both the program level environmental review and the project specific review, the environmental effects of water transfers must be evaluated. This will not only include instream effects, but it is very important that the potential effects to agriculture are fully considered. (See e.g. Stats. 1993, ch. 812.)

II. PROPOSED WATER TRANSFER LEGISLATION (PRE-PRINT S.B. 15)

At a previous BDAC meeting, we presented the joint studies that the California Farm Bureau Federation issued in conjunction with the California Business Roundtable, the California Chamber of Commerce, and the California Manufacturer's Association. The document, entitled “A Model Water Transfer Act” was subsequently issued as a pre-print bill: S.B. 15 (Costa).

As one of the primary sponsors of this pre-print bill, it is Farm Bureau's hope that an improved water transfer framework will complement and assist the Cal-Fed process. Certainly that is our intent. The chain of incremental progress that has been made on California water issues, including the framework agreement, the so-called Bay-Delta Accord, S.B. 901, S.B. 900 (Prop. 204), and the federal “California Bay-Delta Enhancement and Water Security Act,” have all been accomplished by competing interests resolving their differences in a positive fashion with an eye towards a long-term delta solution. Although water transfers have always engendered different views from throughout the state, the momentum and resolve in these other processes is evidence that contentious issues, like water transfers, can be resolved in similar positive fashion.

It has been our desire from the outset of this process to provide a balanced approach to water transfers that is similar to the balanced efforts contained in these

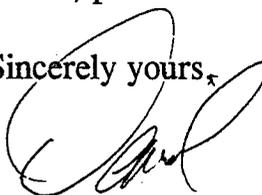
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other processes. By starting with a balanced approach to water transfers and introducing a measure without the ominous pressures of drought, we believe that a water transfer framework for California can be passed by the Legislature and signed by the Governor. This framework will then assist Cal-Fed as part of its long-term solution.

We anticipate that there will be at least one interim hearing (and possibly others) on the pre-print in December. We have already received tremendous input from several interested parties on the pre-print, and we look forward to a continuing dialogue with other interested parties from throughout the state.

We hope that these comments will provide useful guidance to Cal-Fed in formulating the water transfer components of the preferred solution. If you have any questions or would like to further discuss these issues, please call.

Sincerely yours,



DAVID J. GUY

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cc: Bob Vice
Mary-Ann Warmerdam
BDAC Members