



Memorandum

Date: January 14, 1998
To: Bay-Delta Advisory Council
From: Lester A. Snow
Executive Director
Subject: Land Retirement

This item presents analysis prepared for CALFED on the benefits and impacts of permanent land retirement, and poses policy questions for BDAC discussion.

Summary

Permanent land retirement for purposes of demand management is not included in the current CALFED draft alternatives. Some stakeholders have advocated the inclusion of permanent land retirement in the CALFED alternatives as a measure to reduce demand in Delta export areas and reduce the resulting entrainment impacts on fisheries. In response, CALFED has analyzed the potential benefits and impacts that might result from large-scale land retirement. This analysis is described in the attached paper.

In summary, retirement of 500,000 acres of agricultural land in export service areas of the San Joaquin Valley could reduce Delta exports by 1.4 million acre-feet per year. Capital cost would be about \$2.25 billion, plus annual expenses for land management. Thus, water cost might average \$150 per acre-foot. Reduction in personal income would be about \$160 million per year. Nearly 22,000 jobs would be displaced, and payments for land purchase might result in the creation of just over 15,000 jobs, for a net job loss of about 6400.

Questions for BDAC Discussion

The following questions are posed for BDAC discussion and BDAC policy advice to CALFED:

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
U.S. Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Department of Commerce
National Marine Fisheries Service

- Land retirement and the CALFED alternatives offer different strategies for reducing fish entrainment: reducing diversions versus a combination of screening and modification of flow distribution (see paper in this BDAC packet on *Analysis of the Impacts of CALFED Alternatives on Fishery Resources*). From a public policy perspective, what are the advantages and disadvantages of each strategy?
- Is it appropriate for CALFED to consider extensive permanent land retirement for demand management, considering the CALFED solution principles?

Solution Principles

Solution principles are fundamental principles which guide the CALFED Bay-Delta program. The six principles that guide the development and evaluation of the program and development of the alternatives include:

Affordable

An affordable solution will be one that can be implemented and maintained within the foreseeable resources of the CALFED Bay-Delta Program and stakeholders.

Equitable

An equitable solution will focus on resolving problems in all problem areas. Improvements for some problems will not be made without corresponding improvements for other problems.

Implementable

An implementable solution will have broad public acceptance, legal feasibility and will be timely and relatively simple compared with other alternatives.

Durable

A durable solution will have political and economic staying power and will sustain the resources it was designed to protect and enhance.

Reduce conflicts in the system

A solution will reduce major conflicts among beneficial users of water.

No Significant Redirected Impacts

A solution will not solve problems in the Bay-Delta system by redirecting significant negative impacts, when viewed in its entirety, in the Bay-Delta or other regions of California.