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IN RE THE MEETING OF THE )  
BAY-DELTA ADVISORY COUNCIL )  
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**TRANSCRIPT OF PROCEEDINGS, VOLUME II**  
DOUBLETREE HOTEL  
1050 Van Ness Avenue  
Fresno, California

Thursday, June 18, 1998 at 8:46 a.m.

REPORTED BY: DAVE STEWART, CSR NO. 4543

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**COUNCIL MEMBERS:**

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3 MICHAEL MADIGAN, Chairman, California Water  
4 Commission

5 LESTER SNOW, Executive Director

6 SUNNE McPEAK, Bay Area Economic Forum

7 ERIC HASSELTINE, Contra Costa Council

8 STEVE HALL, Association of California Water  
9 Agencies

10 ROBERT MEACHER, Regional Council of Rural  
11 Counties

12 ALEX HILDEBRAND, South Delta Water Agency

13 TOM DECKER, Bank of America

14 BOB RAAB, Save San Francisco Bay Association

15 RICHARD IZMIRIAN, California Sportfishing  
16 Protection Alliance

17 ANN NOTTHOFF, Natural Resources Defense  
18 Council

19 BYRON BUCK, California Urban Water Agencies

20 MICHAEL SPEAR, Designated Federal Official

21 DAVID GUY, California Farm Bureau Federation

22 TOM GRAFF, Environmental Defense Fund

23 MARK SELKIRK, Department of Water Resources

24 PIETRO PARRAVANO, Pacific Coast Federation of  
25 Fishermen's Associations

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**COUNCIL MEMBERS: (cont'd)**

ROGER THOMAS, Golden Gate Fishermen's  
Association

MIKE STEARNS, San Luis Mendota Water  
Authority

ROBERTA BORGONOVO, League of Women Voters

STUART PYLE, Kern County Water Agency

PAT McCARTY, Delta Protection Commission

MARTHA DAVIS, Sierra Nevada Alliance

MARCIA SABLAN, Mayor of Firebaugh

HAP DUNNING, The Bay Institute

TIB BELZA, Northern California Water  
Association

ROSEMARY KAMEI, Santa Clara Valley  
Water District

HOWARD FRICK, Friant Water Authority

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1 (All parties present, the following proceedings were  
2 had at 1:27 p.m.):

3  
4 CHAIRMAN MADIGAN: Okay, welcome back. It's  
5 1:27. We are reassembled as the Bay-Delta Advisory  
6 Council and the first item on the agenda is a briefing on  
7 CALFED economic equivalency analysis by Mark Cowin.

8 Mark, you are up.

9 MR. COWIN: Thank you. Good afternoon.

10 For some time now, we have been encouraged  
11 by a number of stakeholder groups, CALFED agency  
12 representatives, and even members of BDAC to conduct a  
13 more thorough evaluation of the relative economics of  
14 various water management strategies.

15 While we've recognized the potential of this  
16 type of evaluation, we've also recognized the extreme  
17 complexity involved. As we have been reminded today,  
18 water management decisions don't just take place at the  
19 state level but they also take place at the regional,  
20 local levels and right down to the farm level. If we're  
21 going to adequately capture the many variables and -- and  
22 value systems that go into making those decisions, we've  
23 got a pretty intensive job on our hands.

24 Nonetheless, it's become clear from the  
25 comments we have received that we have got to develop

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1 some additional economic information to help answer the  
2 questions before us. So over the past month, we have  
3 held a couple meetings now with representatives of the  
4 stakeholder community, various water resource economic  
5 experts, and we started to put together a work plan for  
6 pursuing an economic evaluation of water management  
7 alternatives. So I want to just briefly go over where  
8 we're at today, get any feedback that you might offer.

9 First of all, the purpose of this study is  
10 to provide information on both statewide and regional  
11 economic impacts of various water management  
12 alternatives. I see two specific uses for this  
13 information.

14 First of all, it's another piece of the  
15 puzzle, along with information on social and  
16 environmental consequences of water management actions;  
17 as a package this sort of information can be used to help  
18 guide water management decisions in the CALFED process.

19 Second of all, and more specifically, this  
20 type of information is necessary for eventual compliance  
21 with Clean Water Act 404(b)(1). I'm sure all of you are  
22 aware of the implications of this section of the law  
23 which requires that you select the least environmentally  
24 damaging practical alternative.

25 I would like to note that this evaluation in  
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1 and of itself we don't expect to answer all the 404(b)(1)  
2 questions, and as I understand was discussed briefly  
3 yesterday, we hope to work with the federal regulatory  
4 agencies to develop a set of specific actions that if  
5 implemented would demonstrate compliance with 404(b)(1)  
6 and would eventually lead to potential permitting of new  
7 storage facilities, if that need is demonstrated.

8 This type of evaluation, this economic  
9 evaluation we hope will help in developing what that set  
10 of actions might look like.

11 I want to stress that the goal of this  
12 evaluation isn't to create some sort of algorithm that  
13 provides all the answers to water management decisions.  
14 Any economic information developed through this study has  
15 to be considered in context with the assumptions that  
16 went along with it and together with unquantifiable  
17 environment and social consequences of any water  
18 management action.

19 Conducting this kind of comprehensive  
20 evaluation on such a large scale is extremely difficult  
21 due to a number of complexities. First of all, the way  
22 water moves throughout the state is extremely complex.  
23 Water management actions can have effects on surface  
24 water v ground water interactions in ways that are  
25 sometimes difficult to predict.

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1 Institutional constraints have to be  
2 considered and sometimes are difficult to represent in  
3 this kind of evaluation. For instance, we have to  
4 consider how responsibility for meeting Bay-Delta  
5 standards or in-stream flow requirements might be laid  
6 out in -- an increased transfers market or something like  
7 that. For instance, county ground water has to be  
8 represented and some of these issues are very difficult  
9 to represent in this sort of macro evaluation.

10 And finally, water market responses are --  
11 in and of themselves very difficult to evaluate. We have  
12 to answer the question of how reliability of water  
13 supplies can affect the willingness to buy and sell water  
14 in a number of different communities.

15 When I speak of water management actions,  
16 I'm talking about actions that might be considered at not  
17 only the statewide level but also regional and local  
18 levels.

19 Here's a list of those or some of those  
20 potential actions, anyway, they include both actions that  
21 might augment supply and reduce demand. New storage  
22 facilities might provide surplus water or -- allow the  
23 ability to conserve surplus water. Existing storage  
24 facilities might be operated, change the timing releases  
25 that might perhaps capture additional surplus water, or  
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1 water might be stored through ground water conjunctive  
2 use either through in lieu or direct ground water storage  
3 programs. Beyond that, water use efficiency measures or  
4 land use changes might free up water that could be used  
5 for other purposes.

6 Basically, all of these different types of  
7 actions might create water that would be available for  
8 transfers, that might be used in different areas or for  
9 different purposes.

10 Well, not surprisingly, given all these  
11 complexities, there is no existing tool or tested  
12 comprehensive analytical approach for evaluating a full  
13 range of water management actions and water market  
14 responses throughout the entire state. So if we're going  
15 to conduct this type of evaluation, we're going to have  
16 to develop a new analytical approach.

17 If that tool is going to be useful when  
18 we're done, we have got to develop it in an open process.  
19 In the work plan that we're putting together right now,  
20 we envision that about half the effort will be towards  
21 outreach stakeholders and half of it in technical  
22 development work.

23 We've got to work with stakeholders to  
24 develop a better understanding of both the constraints to  
25 and the effects of water management actions and then  
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1 using that information as input, we need to develop the  
 2 analytical process that will allow us to consider the  
 3 hydrologic and economic effects of potential water  
 4 management actions.

5 I'll spare you the detail of a lot of  
 6 this but just again to get to the complexity of the type  
 7 of analysis we're talking about, this is a schematic of  
 8 the general approach that we're considering.

9 Start with upstream hydrology  
 10 considerations. Perhaps we'll use some historic period  
 11 to drive this analysis, consider upstream water use,  
 12 potential local storage operations, then we move down to  
 13 system operations, operations of major reservoirs and  
 14 conveyance facilities such as the State Water Project and  
 15 CVP. How those operations change, of course, affects  
 16 power cost, which is an aside.

17 Moving beyond that, once we have a service  
 18 water allocation, we have got to consider how ground  
 19 water is affected. Then once we have some sort of  
 20 indication of the relative availability of surface water  
 21 and ground water, we have to consider how ag water use  
 22 decisions are affected and also urban water use decisions  
 23 and how other options might be implemented in both those  
 24 settings.

25 Treatment costs, of course, are important  
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1 consideration in deciding how urban water is going to be  
 2 used. Depending upon the source of water, particular  
 3 sectors, additional costs might be incurred and it  
 4 affects the basic decisions being made. Beyond that, we  
 5 need to consider regional economics so this is where we  
 6 get at the -- some of the indirect impacts. When water  
 7 use changes, crop production changes, jobs change, income  
 8 changes. So we need to try to reflect that all through  
 9 this process.

10 All of these separate issues have been  
 11 evaluated in the past to some extent. The trick here is  
 12 to come up with the linkages that put all this together  
 13 and defining the constraints and the feedback loops in  
 14 some sort of straightforward analytical process that  
 15 makes sense once we're done.

16 Once we have developed this tool, we  
 17 expect to be able to evaluate relative economic impacts  
 18 of a variety of water management strategies.

19 So here we see some of the basic building  
 20 blocks of water management actions that might be  
 21 implemented not only on a statewide level but by local  
 22 and -- local agencies and on-farm. So we could consider  
 23 any set or any subset of these actions and -- with  
 24 relative emphasis and -- come up with some sort of  
 25 information on the relative economic impacts of those

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1 different scenarios.

2 Well, developing this process and going  
 3 through the stakeholder interaction, we expect is  
 4 going to be quite a long process. We're estimating  
 5 right now that -- we could use from perhaps a year or  
 6 two, the total cost might be on the range of one or two  
 7 million dollars to get through this process and develop a  
 8 tool that we think is adequate for the job we have at  
 9 hand here.

10 So over the next six months, we want to try  
 11 to provide some information that could be input into this  
 12 process so what we think we can do is first of all,  
 13 develop a simplified approach, basically a subset of the  
 14 complex interaction of different processes that I showed  
 15 before and provide some initial results on the limited  
 16 number of water management scenarios.

17 It will have to simplify some of the  
 18 linkages; for instance, we won't be able to get at the  
 19 surface water/ground water interactions as definitely as  
 20 we would like to in the future.

21 One of the second actions that we'd like to  
 22 implement over the next six months is to support the work  
 23 of Dr. David Sunding, who was a speaker this morning, his  
 24 work is ongoing with UC Berkeley on west side San Joaquin  
 25 Valley responses to change in water supply reliability  
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1 and cost.

2 Next slide.

3 Specifically the work that Dr. Sunding is  
 4 doing we hope can answer questions such as how does water  
 5 supply reliability affect the adoption of alternative  
 6 irrigation technologies and irrigation management  
 7 practices or how does that change in supply reliability  
 8 affect participation in ag to ag or ag to urban water  
 9 markets.

10 So over the next couple weeks, what we hope  
 11 to do is to put some meat on the bones of our work plan.  
 12 We want to take that work plan to CALFED management  
 13 policy groups and get some concurrence. But this is the  
 14 general framework for the evaluation that we hope to move  
 15 forward with.

16 CHAIRMAN MADIGAN: Tom? Then Alex, then Byron.

17 COUNCILMEMBER GRAFF: This is a little bit of a  
 18 follow-up on the dialog that Howard and Mike had at the  
 19 end of the last session.

20 One thing that's puzzling maybe or at least  
 21 I don't know that I have much of an answer for it, is  
 22 that it seems like what we have heard over the last day  
 23 and a half is that constraints on water deliveries over  
 24 the past 10 years or so on the west side of the  
 25 San Joaquin Valley have resulted in a whole lot of  
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1 innovation and investment in -- in alternative crops and  
2 alternative irrigation management systems and  
3 technologies and yet similar constraints or apparent  
4 constraints in the Sacramento Valley, like the  
5 Tehama-Colusa area, have not. I mean what's happened up  
6 there basically is people have backed off and gone to dry  
7 land farming.

8 Is there economic explanation for that or  
9 have you got any hypotheses as to why that is the case?

10 MR. COWIN: Well, I certainly don't, I wouldn't  
11 venture to guess. It's the kind of thing that we could  
12 test, I think, in this sort of framework, what different  
13 crop, what kind of economic impacts those types of  
14 changes in technology would have on an overall regional  
15 economics and statewide economics. But I couldn't hazard  
16 a guess as to -- those specific regional decisions.

17 COUNCILMEMBER GRAFF: Well, it's something that  
18 would be useful to sort of try to get a handle on it.

19 COUNCILMEMBER HILDEBRAND: It may have to do  
20 with the difference in soils.

21 CHAIRMAN MADIGAN: Alex, then Byron. Then Stu.

22 COUNCILMEMBER HILDEBRAND: Mark, how are you  
23 dealing with the changes over time that are going to take  
24 place?

25 We are talking about a 30-year program  
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1 during which time population is going to increase  
2 enormously and so if you're looking at an analysis here,  
3 are you analyzing based on more or less today's  
4 conditions or are you looking at the -- what will be  
5 occurring in 30 years?

6 If you used the bulletin 160 thing of how  
7 much urban water is going to be going out in 30 years  
8 from now, that gives you a rather different scenario. If  
9 you don't build a drain and you don't do anything about  
10 the ground water overdraft in the south of the delta,  
11 that's going to make a big difference over 30 years; you  
12 are not going to have the ground water available you had  
13 today and what you have is going to be salted up. How do  
14 you feed all that kind of thing into it.

15 And lastly, how do you deal with the  
16 interplay between the water supply and the food supply  
17 over 30 years?

18 MR. COWIN: Well, I guess my simple answer is  
19 that I don't think there's any one answer that comes out  
20 into this type of evaluation. For it to be worth  
21 anything, we will have to test a number of different  
22 scenarios in regards to demand and potential changes in  
23 technology and test responses to build-ups of salts, that  
24 sort of thing, if that affects water use, then we need to  
25 test different scenarios for future water use and

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1 consider it all together.

2 COUNCILMEMBER HILDEBRAND: I realize it's very  
3 difficult but I guess what I'm asking is are you going to  
4 analyze alternatives that include the question of what is  
5 likely to happen in 30 years and not just what we have  
6 currently?

7 MR. COWIN: Certainly.

8 CHAIRMAN MADIGAN: Byron?

9 COUNCILMEMBER BUCK: Mark, there has been an  
10 assumption of trying to meet say a million acre feet of  
11 new demand on the system. Is that going to be a basic  
12 driver for this analysis?

13 MR. COWIN: Again, I think that's something  
14 that will be -- we'll have to put into a series of tests,  
15 sensitivity analysis to look at how that basic demand  
16 drives the system and what responses different demands  
17 have on the overall allocation of water.

18 COUNCILMEMBER BUCK: You know, I think this is  
19 good, that this is the kind of basic work we need to do.  
20 I think it's good for 404 purposes, if we can do it.  
21 It's going to be very complex. I mean we are talking all  
22 these variables are independent variables.

23 MR. COWIN: Absolutely.

24 COUNCILMEMBER BUCK: There are no dependent  
25 variables and it is going to be what assumptions you make  
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1 and what limits -- so it will be how many sensitivity  
2 analyses we can run and what the linkage is.

3 It won't provide all the answers but I think  
4 what it will ultimately show is there are no cheap  
5 answers in this kind of integrate the resource planning  
6 on a statewide scale, which it's really not charged to do  
7 and it will have to look at trade-offs between those  
8 things.

9 MR. COWIN: Yeah, no way do I want to leave the  
10 impression I think it's simple, and if someone else wants  
11 to take it on --

12 CHAIRMAN MADIGAN: No volunteers. Stu.

13 COUNCILMEMBER PYLE: Yeah, Mark, kind of my  
14 first -- thing that you'll take offense at is that --  
15 really hard to understand what you're going to do by  
16 reading what is written in the -- document in here. I  
17 certainly hope your later iterations can break this  
18 down into a process that is much more clear and all,  
19 expository, whatever.

20 One of my major questions is whether  
21 you're planning on working on a basis of unit actions  
22 and examples or whether you're attempting to do some type  
23 of a comprehensive management model that would cover all  
24 of the water and all of the costs in the whole state and  
25 the whole system.

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1 MR. COWIN: I didn't understand the first  
 2 option.  
 3 COUNCILMEMBER PYLE: That's a problem I had  
 4 reading your stuff.  
 5 COUNCILMEMBER BUCK: Okay, we agreed.  
 6 COUNCILMEMBER PYLE: We agreed on that. Are  
 7 you planning on making these analyses on a unit basis for  
 8 one set of actions or are you going to attempt to try to  
 9 integrate all of the actions that are going to take place  
 10 in the whole system and cover all of the water diverted  
 11 from the delta and so on and so forth?  
 12 MR. COWIN: I think I sense some bias in my  
 13 suggestions of choice.  
 14 COUNCILMEMBER PYLE: Yeah, I would offer the  
 15 first, not the --  
 16 MR. COWIN: Well, the problem is of course that  
 17 any one action has a rippling effect throughout both  
 18 water allocation and the economies of water use and I  
 19 think our charge here is to try to do a more  
 20 comprehensive evaluation.  
 21 We can try to increment and look at small  
 22 changes and how those are rather -- through the  
 23 sensitivity analysis process change, little changes and  
 24 see what the effects are. But we have to look at the  
 25 statewide sort of system in order to get a full effect of  
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1 our decisions.  
 2 COUNCILMEMBER PYLE: I think to get any type of  
 3 a general understanding and acceptance that you're going  
 4 to be limited to those items that people can follow  
 5 through step by step, seeing the propositions and the  
 6 computations.  
 7 But if you try to go into some type of a  
 8 huge model that all we know is the inputs and the  
 9 outputs, it's not going to be any benefit.  
 10 MR. COWIN: Yeah, I agree. And I think there  
 11 is going to be a very limited number of people that  
 12 really understand what goes on inside the workings of  
 13 this kind of model. But -- we hope to bring enough  
 14 stakeholders along with us and enough representation from  
 15 the different groups that there is a basic buy-in, or at  
 16 least we can note where there are differences of opinion  
 17 and include that in our answers.  
 18 CHAIRMAN MADIGAN: Bob and then Steve and then  
 19 Ann.  
 20 COUNCILMEMBER RAAB: A thought and question  
 21 that kept reoccurring in my mind this morning as I  
 22 listened to the farmers describe the conditions under  
 23 which they are growing crops these days on the west side  
 24 was this; that how much -- how much of the problems they  
 25 encounter are from natural causes like droughts are and  
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1 other natural conditions and the unnatural conditions  
 2 like CVPIA, how much of the problem is created by  
 3 environmental impact and is this study in any way going  
 4 to evaluate or give some insight into just how much --  
 5 what percentage or how many dollars are added to the cost  
 6 of, say, a farmer doing business as a consequence of  
 7 environmental rules and regulations.  
 8 MR. COWIN: Okay, we can certainly use a sort  
 9 of framework to test the implication of -- restrictions  
 10 or standards or flow requirements, that sort of thing.  
 11 So this is probably highly political but you  
 12 could come up with a shadow premises for implementing  
 13 those sort of actions. I think that's within the realm  
 14 of what we're talking about.  
 15 CHAIRMAN MADIGAN: Steve?  
 16 COUNCILMEMBER HALL: Um -- a number of the  
 17 comments following on this mornings presentation I think  
 18 you would have to conclude implied that the -- the  
 19 conditions that have led west side farmers to tighten  
 20 their irrigation techniques, that the result, the  
 21 improvement in irrigation efficiency is a desirable  
 22 outcome; therefore, the conditions that led to these  
 23 changes ought to be recreated valley-wide so that we can  
 24 have this -- improvement in irrigation efficiency  
 25 throughout the Central Valley.  
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1 I hope that's not where we're headed because  
 2 I don't think this is necessarily -- conservation is a  
 3 good ethic, you heard me agree with Tom Gohring that the  
 4 farmers ought to quit arguing that they are efficient,  
 5 leave us alone because it is counterintuitive.  
 6 But I hope we're past the notion that  
 7 somehow we're going to fix the problems of CALFED through  
 8 ag water conservation in the Central Valley. Because the  
 9 conflicts that exist in the system are based upon  
 10 competing demands and those competing demands will not  
 11 change through this conservation because it won't change  
 12 the water balance, the mass balance equation that exists  
 13 in the Central Valley for water demand.  
 14 What it will do is substantially increase  
 15 the costs and the risks attendant with irrigated  
 16 agriculture in the Central Valley. And I don't note in  
 17 your model list any indication that you're planning to  
 18 model or in any way assess either the economic or social  
 19 costs of this increased cost and risk to farmers as a  
 20 result of these kinds of conditions.  
 21 Is there any plan or planned intent to do  
 22 that?  
 23 MR. COWIN: I'm afraid I didn't follow, Steve.  
 24 COUNCILMEMBER HALL: Well, you heard this  
 25 morning's presentation, I gather, about the increased  
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1 costs associated with -- irrigating on the west side  
2 today.

3 MR. COWIN: Sure.

4 COUNCILMEMBER HALL: And what I see in these  
5 models are a lot of the economic analyses to the  
6 extent I understand them and I'm sorry, I'm a little bit  
7 of a loss. I'm like Stu, I don't understand all of this.

8 But it looks like a lot of input-output  
9 models but no real sensitivity analysis in terms of  
10 what -- what happens not only to the individual farm  
11 operator but to the community when these kinds of  
12 additional costs are added to the farming enterprise and  
13 what that does to decision making, what it does to the  
14 long-term viability of farm practices in this area. And  
15 I -- I'm -- you refer here to tying these models to the  
16 work that David Sunding is doing, which I would agree is  
17 much more closely related to what I'm talking about. But  
18 in the end, I guess what I'm -- let me word the question  
19 a different way.

20 Is this somehow going to get CALFED a better  
21 economic picture as to the cost associated with long-term  
22 water shortages in the Central Valley for the purposes of  
23 CALFED doing its work?

24 MR. COWIN: Absolutely. I think that's one of  
25 the prime reasons for doing this study. Part of the  
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1 effort is to identify what different levels water supply  
2 reliability, what the effects will be on decisions by  
3 Central Valley farmers to plant crops or invest in new  
4 irrigation technologies and economic impacts associated  
5 with those decisions.

6 COUNCILMEMBER HALL: Thank you.

7 CHAIRMAN MADIGAN: Ann and then Richard and  
8 then we need to move on.

9 COUNCILMEMBER NOTTHOFF: Well, I was going  
10 to agree with the first third of what Steve just said  
11 before he put on some other hat that I'm not familiar  
12 with the hat that he was wearing.

13 But I think that one of the things we got  
14 out of this morning is that we did hear that price and  
15 reliability affect and supply affect water use practices.  
16 And I think that one of the things that would be useful  
17 to come out of this study, you know, what are the signals  
18 that were in place that led to the type of innovations  
19 that we heard today and how do we replicate that on a  
20 broader scale. And I certainly would hope that that's  
21 something that is going to come out of this study.

22 CHAIRMAN MADIGAN: Thank you. Richard?

23 COUNCILMEMBER IZMIRIAN: I think Nobel Prizes  
24 have been given out for much less than the framework you  
25 are trying to create here.

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1 On the same lines of what Steve and Ann  
2 said, I think a lot of the -- of what you may determine  
3 in this model could be affected by how much of a real  
4 market can create in water transfers. Are you going to  
5 be trying to model different levels of market activity in  
6 this?

7 MR. COWIN: Well, I think we do that indirectly  
8 by looking at different levels of emphasis on those water  
9 management actions that could free up those supplies and  
10 then either tightening or loosening the constraints that  
11 allow the transfers to happen.

12 So -- as I understand it, and I'm struggling  
13 to understand this as much as most people here are, we  
14 don't specifically specify in this sort of approach  
15 transfers of water but we try to set up the conditions  
16 and the constraints that will allow them to happen and we  
17 can twist the knobs to allow for more or less transfers  
18 to occur and then evaluate relative economic effects of  
19 those conditions.

20 COUNCILMEMBER IZMIRIAN: And I think Steve was  
21 touching on some of the externalities of the -- as it  
22 might relate to the farm operation. Will there be any  
23 attempt to quantify or put values on some of the  
24 environmental and other externalities that might be  
25 involved or is that going to be a separate process?

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1 MR. COWIN: The way I see it, it's separate and  
2 co-equal process. It's -- necessary to come up with some  
3 sort of qualitative evaluation of both the potential  
4 environmental effects and the social effects of this  
5 reallocation of water under any of these potential  
6 scenarios we may look at, but I don't think that's that  
7 an answer that you can quantify or will come out in one  
8 of these sort of models.

9 COUNCILMEMBER IZMIRIAN: Thank you.

10 CHAIRMAN MADIGAN: Stu, briefly.

11 COUNCILMEMBER PYLE: Briefly, we're still  
12 worried about whether I understand this or not.

13 Did you see the paper that Byron Buck passed  
14 out just before lunch?

15 MR. COWIN: No, I hadn't.

16 COUNCILMEMBER PYLE: Called soft path and it  
17 has on there the cost per acre foot for waste water  
18 recycling, urban conservation or blue storage by one or  
19 two things and as I understand what you're talking about,  
20 the terms economic equivalency or a least cost way of  
21 achieving a goal, is that -- for CALFED to prove up  
22 whether it wants to put several millions of dollars into  
23 urban water conservation, that it has to determine  
24 whether that is a least cost method by pursuing some type  
25 of equivalency analysis.

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1 Am I okay so far?  
 2 MR. COWIN: Well --  
 3 COUNCILMEMBER PYLE: And if that's it,  
 4 doesn't -- isn't this more or less the type of  
 5 information that you're going to do, that if we're going  
 6 to achieve so many acre feet of saving by putting so many  
 7 million bucks into urban water conservation, it's going  
 8 to cost us between 400 and 1600 dollars an acre foot.  
 9 But on the other hand, should CALFED rather go for  
 10 storage which costs let's say from \$140 to \$200 or if he  
 11 is a hundred percent wrong, from \$280 to \$400?

12 MR. COWIN: Well, I'm more learned about these  
 13 issues over the last month. Notice I haven't used the  
 14 word "least cost plan" or "equivalency evaluation" so far  
 15 today.

16 COUNCILMEMBER PYLE: Well, I just read the  
 17 stuff they send out to me and I try to understand it.

18 MR. COWIN: That was from a month ago when I  
 19 had a different understanding so -- I'm learning as we're  
 20 going along.

21 But generally I think you're right. I mean  
 22 this is the kind of things that we could evaluate whether  
 23 or not -- what are the economic impacts of investment in  
 24 new conservation techniques; you know, you can measure  
 25 that against investment in new storage and get some sense

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1 of the relative economic values.

2 But I hasten -- or I am reluctant to use the  
 3 words "least cost plan" simply because this is such a  
 4 complex issue we're talking about. One person's least  
 5 cost plan is definitely going to be somebody else's most  
 6 cost plan so I think that's probably -- what you're  
 7 reading from is my more simplistic thinking from a month  
 8 ago.

9 CHAIRMAN MADIGAN: Byron, guys, we got to get  
 10 moving here. We got things to do.

11 COUNCILMEMBER BUCK: Yeah, a caution, the two  
 12 waters are different when we talk about conservation  
 13 recycling and storage. Storage you can have wet year  
 14 water available for dry year feeds, where if there is dry  
 15 year definite shortage, you wouldn't really create water  
 16 in a dry year. See, there are different values to the  
 17 water as well as different costs.

18 MR. COWIN: Right, that has to be reflected by  
 19 considering hydrology in this evaluation.

20 COUNCILMEMBER BUCK: Right.

21 CHAIRMAN MADIGAN: Alex?

22 COUNCILMEMBER HILDEBRAND: How will you  
 23 determine the amount of -- of water that will be  
 24 available for purchase with different pricing and with  
 25 due regard to the legal requirement that you avoid impact

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1 on legal water users other than the buyer and seller, and  
 2 will you look at the difference in the number that  
 3 will -- occur there with or without the Williamson Act  
 4 being transferable water, as like mentioned the other  
 5 day, the law of the land in the valley as in the  
 6 Williamson Act, at present there is nothing that says  
 7 that those people can't frustrate the purpose buy-selling  
 8 water, but that might change or it might crash the --

9 MR. COWIN: Well, first of all, using these  
 10 economic models, I expect that you can test willingness  
 11 to buy and sell based upon different reliabilities.

12 Second of all, we simply have to put in  
 13 various constraints that will protect or you could put  
 14 rules into this sort of framework and say that water  
 15 transfers can only occur two out of seven years or  
 16 something like that and you can test those kind of  
 17 constraints that might protect third parties. That's the  
 18 sort of evaluation that we can do can.

19 CHAIRMAN MADIGAN: Steve?

20 COUNCILMEMBER HALL: Well, it occurs to me  
 21 as we get into this, that this is a very complicated and  
 22 potentially highly contentious issue and the output of  
 23 this work could very easily be misinterpreted. In fact,  
 24 I think it's going to be very hard to interpret it  
 25 correctly.

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1 So I mean I -- I don't know what to suggest  
 2 because I hesitate to suggest another work group but --  
 3 yeah, I -- here is my point.

4 There are a number of us who are going to  
 5 want to follow this work very closely, and not just wait  
 6 for them to produce some report. I am not volunteering  
 7 for this work group, I want that out front.

8 But unless you plan to have this dealt with  
 9 at, you know, frequent intervals by BDAC, you may have to  
 10 do something along those lines. Either that or if one of  
 11 my environmental friends will accept my earlier  
 12 challenge, maybe we can dispense with this discussion all  
 13 together, I don't know.

14 But one way or the other, I think we're  
 15 going to have to track with this very closely so that  
 16 this thing does not yield a report at the end which has  
 17 not had some close scrutiny.

18 MR. COWIN: I think much of the important value  
 19 that will come out of this is in the development process  
 20 itself and we are working to try to put together a group  
 21 of stakeholder representatives and agency representatives  
 22 to help us through the process.

23 COUNCILMEMBER HALL: Could you give us a  
 24 list of those stakeholder representatives when you  
 25 have it?

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1 MR. COWIN: Sure.  
 2 COUNCILMEMBER HALL: Thanks.  
 3 COUNCILMEMBER WRIGHT: Let me just add briefly  
 4 to that as some of you who are following the Bay-Delta  
 5 organization, we have a similar group, I don't know if  
 6 this was emphasized earlier but a group of advisory  
 7 council that helped EPA put together the economic  
 8 analysis that accompanied the Bay-Delta water quality  
 9 standards.  
 10 It was an advisory group that included the  
 11 leading economists from Santa Clara, from westlands and  
 12 it was very, very useful in providing just the kind of  
 13 peer review you're looking for and just as important, the  
 14 resources from those water districts to provide Dave  
 15 Sunding, Mark, and others with specific accurate  
 16 information about what is going on in their areas, what  
 17 types of impacts are occurring in those areas depending  
 18 on what their different water management tools are.  
 19 So my hope and expectation is that of this,  
 20 that that group will help actually guide the study in a  
 21 way that will be useful for everybody and actually to  
 22 help dispel some of these myths and impressions people  
 23 have about about the costs of water and the potential  
 24 impacts, et cetera.  
 25 It's not going to be -- there's -- I think  
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1 there's a perception out there that it's going to provide  
 2 the answer. It will show, you know, forever that all you  
 3 got to do is "X" solution, and clearly it's not going to  
 4 do that. But hopefully it will illustrate better some of  
 5 the trade-offs that are out there that we started to talk  
 6 about tonight.  
 7 COUNCILMEMBER HASSELTINE: Okay, we temporarily  
 8 lost our chairman and vice-chairman but we do want to  
 9 wrap this up.  
 10 Any other comments or questions for Mark?  
 11 If not -- thank you, Mark.  
 12 COUNCILMEMBER HASSELTINE: Okay, with us this  
 13 afternoon is Debbie Hurley who is the aid for Congressman  
 14 George Zenovich (sic). And is Debbie here? Debbie.  
 15 COUNCILMEMBER HASSELTINE: You can sit if you  
 16 would like.  
 17 MS. HURLEY: Thank you for allowing me to make  
 18 some brief comments. Earlier in the process, Congressman  
 19 Radonovich has presented or detailed in lengthy  
 20 statements his position regarding both the CALFED process  
 21 and some of the specifics of the suggested alternatives.  
 22 Today I have just a very brief statement  
 23 which serves as an update regarding a couple of those  
 24 developments.  
 25 The Congressman has been actively involved,  
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1 as I am sure you are aware, at the federal level in the  
 2 CALFED issue and believes the issue is important as we  
 3 plan for the future and California's water needs. The  
 4 Congressman has taken note of the statement of staunch  
 5 support announced by Governor Wilson and Secretary  
 6 Babbitt for the release of a final draft alternative by  
 7 the end of 1998, and joins them in agreeing that the  
 8 agricultural community must be assured of water supply  
 9 reliability under CALFED during the interim planning  
 10 process while final decisions are negotiated. The  
 11 process of restoring the Bay-Delta, while addressing  
 12 water quality and water supply and reliability needs, is  
 13 a long-term commitment involving all stakeholders at the  
 14 negotiating table.  
 15 For this reason, Congressman Radonovich has  
 16 pursued fiscal year 1999 federal funding for the project.  
 17 On Tuesday of this week, the House Appropriations  
 18 Committee approved \$75 million to continue this. Earlier  
 19 the Senate Appropriations Committee allocated  
 20 \$65 million. Each House must now vote on the energy and  
 21 water appropriations bills before going to conference, at  
 22 which time a final amount will be negotiated.  
 23 These ongoing appropriations, especially in  
 24 this time of budget balancing, demonstrate the continuing  
 25 federal interest in CALFED and Representative Radonovich  
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1 will remain focussed on this issue which so significantly  
 2 impacts California.  
 3 Thank you.  
 4 COUNCILMEMBER HASSELTINE: Thank you very much.  
 5 Are there any questions for Miss Hurley?  
 6 Okay, thank you very much. We appreciate  
 7 the time.  
 8 We are going to try to get started with the  
 9 water transfers discussion but that is necessarily going  
 10 to be interrupted because we want to hold to the timing  
 11 of the panel on the issues of concern.  
 12 So maybe Tib, can you maybe get us started  
 13 anyway and we will go as far as we can but at 12:30, we  
 14 are going to pause and -- go ahead with the panel.  
 15 COUNCILMEMBER BELZA: Good afternoon. It is a  
 16 pleasure to be before this esteemed board. I also enjoy  
 17 root canals and plan a vacation in Bakersfield soon.  
 18 I know at this part of the show in the  
 19 afternoon, the pasta is starting to settle and the turkey  
 20 sandwich. But Steve mentioned a cartoon and I'm reminded  
 21 of my favorite Far Side cartoon where the guy is speaking  
 22 to his dog and thinks what the dog hears is, "Rex, don't  
 23 go in the back yard." And all the dog hears is, "Blah,  
 24 blah, blah, Rex, blah, blah, blah, Rex."  
 25 So this afternoon in my presentation, I'm  
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1 going to call your names once in a while just to make  
2 sure you're still awake.

3 Okay, water transfer -- component water  
4 transfer work group has been working very hard. We have  
5 had nine meetings and you say well, what are you doing?

6 Well, we are here to hopefully provide a  
7 policy framework that will help encourage facility water  
8 transfers; it will help make the process move in a way  
9 that during certain times, those that are in need of the  
10 water and those that cannot reoperate and do some  
11 different things can then provide them the water.

12 We've had every level of stakeholder  
13 involved in this group, and we discussed about everything  
14 that -- not everything that can be discussed but we have  
15 been working very diligently on this and hopefully that  
16 we can -- we are in the process of coming up with  
17 something that is meaningful. It will be important today  
18 to get some input from you, fellow BDAC members, as you  
19 see the water transfer element coming down. We hope to  
20 improve efficiency in the system, we hope to facilitate a  
21 statewide market that can help facilitate water  
22 transfers, and we hope -- which has been a very important  
23 part of our work group discussion -- is try to find ways  
24 to provide protection for the third party impacts. Those  
25 can be not only to individuals but also to things such as

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1 ground water basins and environmental impacts.

2 The two primary functions to hopefully have  
3 a means for those that can achieve -- receiving sources  
4 of water that at times when it could be constrained and  
5 help water users to augment their existing water  
6 supplies. We also see this as not -- as just a  
7 component. You know, water transfers cannot be the  
8 panacea that is going to solve the problems but will be  
9 one of the components, as you well know.

10 Historically, water transfers have been  
11 successful, they are successful, and we hopefully can  
12 continue to make them more successful into the future.

13 Some of the problems that have been  
14 discussed are the interpretation of the state law, trying  
15 to maybe streamline some of those things; the adverse  
16 impacts to others, the no injury rule, as they talk  
17 about.

18 It's very important, not only to this work  
19 group but I think all the folks that are involved in  
20 water transfers and are trying to move ahead with a  
21 system that will work or to help augment the system that  
22 already is working.

23 We need to work on reliable ways to  
24 transport the water and to streamline the permitting  
25 approval process. And as we talk about that, we don't

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1 necessarily mean that you're going to try to rubber stamp  
2 them through quicker and make it a no-look-see and stamp  
3 them and move them on, but to make sure it's moving  
4 efficiently and that it doesn't get bogged down within  
5 the process and that there's -- dead time in a water  
6 transfer issue as could happen.

7 The two work groups are the BDAC Water  
8 Transfer Work Group, which basically is made up of the  
9 stakeholders and those interested in sitting in on those  
10 exciting meetings and the Transfer Agency Work Group  
11 which are representatives from the CALFED agencies. And  
12 they assist with identification constraints and  
13 development of solution options.

14 Some of the problems have been characterized  
15 as environmental, economic, and water resource  
16 protections. There's technical and operational,  
17 administrative rules that -- that wheeling and access to  
18 state and federal facilities. And those primarily of  
19 course are the cross delta transfers.

20 In the environmental and economic and water  
21 resource protection issues, of course we have the third  
22 party impacts, as I mentioned, the concerns that what  
23 will happen to those individuals that are not involved in  
24 the water transfer, neither the buyer nor the seller, but  
25 that other person, entity, community that is out there,

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1 how are we going to deal with some of the impacts that  
2 are either potentially there or how can we ease them to  
3 show that there won't be an impact in them.

4 Ground water resource protection is very  
5 important, especially for those in the northern part of  
6 the Sacramento Valley. I know in the central and  
7 southern, it's also very important to them. But many of  
8 you have been dealing with those situations and are in  
9 ground water basins that are struggling and having  
10 problems and there's those that want to make sure that  
11 those similar things don't happen in other areas.

12 The in-stream flows of transfers are also  
13 under discussion. Environmental protection sources  
14 areas, that as you transfer this water from one area to  
15 another, whether it be to assist those that need more  
16 water or for environmental water purposes that you don't  
17 degradate the environmental source area where it's coming  
18 from, or degradate the supply to those in the source  
19 area.

20 Area of origin and watershed priorities you  
21 hear a lot about, we've heard a lot about today, and  
22 those continue to be concerns. And a while little more  
23 clarification, rules and guidelines for environmental  
24 transfers. And I would encourage my friends in the  
25 environmental community to get your input in this area

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1 and let's get some real meat on the bones on this and  
2 what can we do for these environmental transfers.

3 The rules that we've talked about in the  
4 past as far as transferring of water and the no injury  
5 rule -- you know, operation criteria, there are some  
6 technical issues that some folks -- it's interesting in  
7 this group because we have those that are -- it's almost  
8 not totally opposite but there are just different kinds  
9 of issues.

10 You have the third party impact issues which  
11 is -- I would characterize more as your lay person that's  
12 out there, and then you have the technical issues or  
13 those that are involved in the actual water transfer  
14 process have a whole other set of concerns.

15 And some of those are the operational  
16 criteria and things such as carriage water and refill  
17 requirement and the permitting process itself. You know,  
18 how can we take some of the conflict out of that system  
19 that's there of actually helping this permitting process.

20 Wheeling and access to state and federal  
21 facilities, this has been an issue that surfaced in our  
22 work group. Priority of transferred water in existing  
23 project facilities, priority of transfer of water in new  
24 facilities, and trying to resolve that and then these  
25 wheeling costs. You know, as you do transfer this water,  
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1 what's it going to cost someone to move it along into the  
2 system. And pass it along.

3 Some of the solution options that we've  
4 discussed have been policy level recommendations and then  
5 one other idea that has surfaced, is under large debate  
6 or not -- discussion now is water transfer, this idea of  
7 a water transfer clearing house where that you can help  
8 flush out some of these issues and conflicts and  
9 questions about protection. How are we going to protect  
10 the third parties and -- the multiple functions that are  
11 involved in a water transfer.

12 Some of the questions that we propose here  
13 today for the BDAC group is, have all of the constraints  
14 been identified? In a clearing house approach, is it a  
15 mechanism to satisfy public participation, disclosure and  
16 analysis, are these concerns being met? Could the  
17 process adequately help local decision makers by having  
18 this clearing house.

19 And keeping with the Chairman's message of  
20 keep it simple, short, to the point, these are the  
21 questions for -- for BDAC group today to contemplate and  
22 discuss.

23 CHAIRMAN MADIGAN: You're on, Bob.  
24 COUNCILMEMBER MEACHER: I would answer yes.  
25 Clearing house process would help local decision making  
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1 and I'm sorry I missed the beginning of the presentation.

2 Have we discussed -- in the transfer  
3 question what we do in this interim period or -- my  
4 organization is taking a couple of positions on transfers  
5 such as with Yuma County water.

6 I suppose I could -- just make a question  
7 rather than a statement. Or a statement rather than a  
8 question.

9 We're thinking that perhaps in this interim  
10 period that there be no permanent transfers. Have you  
11 discussed that at all, Tib? That we look at maybe five  
12 year limited transfers.

13 One of our concerns is under that redirected  
14 third party impact stuff, people being able to manipulate  
15 a transfer to relieve themselves of an obligation perhaps  
16 that could be identified further on in the process for  
17 storage, let's say. That's just an example.

18 COUNCILMEMBER BELZA: I think most of our  
19 discussion has been at the -- at the level in the point  
20 of short-term transfers and filling the need during those  
21 times of dry years and that, sir.

22 We haven't really discussed the long-term  
23 transfer issues but we think that through this process,  
24 maybe that will be flushed out. There is concern about  
25 cumulative impact with the short-term transfers, if you  
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1 do -- if you just do a series of short-term transfers,  
2 will that -- in reality do you have a long-term transfer  
3 there and what are some of the impacts there. So we  
4 haven't really put an arm around that one.

5 Another issue, like Alex brings up, as far  
6 as defining which water is transferable and actually --  
7 we started off in our first meetings talking about  
8 quantities. And we've gotten away from that and we've  
9 been focussing more on these -- the third party impacts  
10 and some of the environmental issues.

11 But this quantity of water is still a moving  
12 target too, and how much real water can you produce  
13 through this water market.

14 CHAIRMAN MADIGAN: Byron. Then Howard.

15 COUNCILMEMBER BUCK: Tib, I appreciate the hard  
16 work this group has done. Your leadership on it. This  
17 is an extremely complex and tough issue and a lot of  
18 emotion behind it.

19 And I think you have come up with a fairly  
20 productive result. But caution us, this is a pretty  
21 modest result out it. What we're talking about is a  
22 clearing house and adding to the basis of information.  
23 There's no real fundamental change on the ground that  
24 will come out of this.

25 And to that end, I'm real concerned with the  
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1 paper we talked about yesterday afternoon, the whole  
2 staging/phasing and the notion of linkage of facilities  
3 and storage and other components to transfers.

4 What we've got here is a voluntary transfer  
5 system in the state, and CALFED is supporting that.  
6 We're talking about just adding some information and  
7 making people understand it better and still leaving it  
8 largely to local decisions.

9 Therefore, it's going to be very hard for us  
10 to come up with some type of -- of sensible linkage,  
11 particularly if it's to an amount of transfers predicated  
12 upon them building storage or facilities. And it's  
13 somewhat of a chicken and egg problem in many cases, we  
14 don't have a storage or facilities to facilitate  
15 transfer.

16 So I'm very concerned and we ought to look  
17 very carefully about what type of linkages we come up  
18 with when we're -- basically talking about a voluntary  
19 system that nobody in the state or federal government or  
20 no users really control solely. So we can't assure any  
21 kind of outcomes on transfers, we ought to be very  
22 careful about what linkages we design then. Thank you.

23 CHAIRMAN MADIGAN: Howard.

24 COUNCILMEMBER FRICK: You said you're basically  
25 dealing with short term and I agree, we do have to be  
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1 careful with repetitive short terms don't result in a  
2 long term.

3 Some of us are more concerned that we don't  
4 develop a bureaucracy that inhibits the changes that are  
5 going on daily, right now. We have water districts in  
6 various agencies exchanging water for conservation  
7 purposes which is efficient use for the wet year versus  
8 dry year, just with a phone call. And if you get a --  
9 bureaucracy you have to work through, those things don't  
10 work and you get inefficient use of water. Want to be  
11 sure that doesn't happen. I don't see that in the  
12 discussed a lot.

13 COUNCILMEMBER BELZA: That's a good point.  
14 It's not, Howard, to answer your question. We probably  
15 have had very, very limited discussion on transfers that  
16 are already going on today. Jerry John spoke at one  
17 meeting and gave a presentation. Paul Barkowitz, water  
18 attorney, gave another presentation. But we have kind of  
19 gotten -- that was in the very beginning and we haven't  
20 really dealt with those types of issues. And -- but  
21 those concerns are there and real. With folks amongst  
22 the group.

23 CHAIRMAN MADIGAN: Okay. Thank you very much,  
24 Tib. I would have one request for a speaker -- slip in  
25 from Steve Ottemoleller from Westlands.

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1 MR. OTTEMOELLER: Good afternoon. Thank you  
2 for the opportunity to speak and I'll try to do it very  
3 briefly.

4 Tib did a good job of covering the issues  
5 that the BDAC Transfers Group has been working on, and  
6 noted that it's been in terms of substantive discussion  
7 somewhat limited to areas of third party impacts.

8 The issue of conveyance and storage was  
9 touched on by Byron a minute ago and its -- and its  
10 relationship to transfers.

11 I just wanted to make the point that it's  
12 important for people to understand what the linkage is.  
13 If there's any expectation of any kind of a water  
14 transfer market, and it was one of -- I think the second  
15 point, a statewide water transfer market -- if there's  
16 any expectation that you will have a market where new  
17 water or water from conservation or conjunctive use or  
18 possibly even new storage is going to happen from areas  
19 upstream of the delta to export areas as a means of  
20 balancing things out, you need to understand what -- or  
21 be reminded maybe of the limitation.

22 I was concerned that the CALFED programmatic  
23 EIR rated all of the Alternatives equally in terms of  
24 capabilities of moving transfer water. They are by no  
25 means equal except to state that Alternatives 1 and 2 are  
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1 somewhat equal to the current situation.

2 You are maximizing the flexibility of south  
3 delta pumping just to continue to allow the projects to  
4 meet their own customers' demands. There is no capacity  
5 for long-term transfers right now and I don't see it in  
6 anything other than an Alternative 3 type of alternative,  
7 where you have improved flexibility and improved  
8 opportunities for moving water across the delta.

9 I think that's an important distinction that  
10 people have to bear in mind, those who believe that we  
11 can open up the water transfer market by changing the  
12 rules or fixing a few things on paper or possibly even  
13 some legislation, I can tell you I have tried, I have  
14 known a number of people who have tried to implement  
15 long-term transfers. It's not going to happen until  
16 there is some kind of fix to the delta conveyance system.

17 So that's kind of your assurance in terms of  
18 no long-term transfers. They are not going to happen in  
19 the interim because I don't see the system being able to  
20 handle them.

21 I don't want to get into detail but I would  
22 note that the ag urban group has as part of its  
23 development of a number of issues come up with some  
24 positions on the transfers element and I would be happy  
25 to share that with anybody separately but I don't want to

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1 take up your time here. It's pretty instructive of some  
 2 of the work that we have gone through, and covers a few  
 3 more issues than the BDAC work group has been able to  
 4 struggle through.

5 CHAIRMAN MADIGAN: Thanks, Steve. All right,  
 6 again thank you very much. The next item on the agenda  
 7 is a panel on San Joaquin issues of concern with BDAC  
 8 respondents. It's going to be introduced by Mary Selkirk  
 9 and Mary is currently standing at the door counting  
 10 panelists, I think.

11 We also expect that Senator Costa is going  
 12 to be here somewhere in the vicinity of 3:00. And when  
 13 the Senator arrives, we obviously will take a break from  
 14 the panel to hear from him and allow him to return to his  
 15 -- the affairs that brought him back to Fresno.

16 So Mary, you are on. If you would introduce  
 17 your panel.

18 MS. SELKIRK: Let me get them, they are in the  
 19 hallway.

20 Thank you, Mike. This afternoon's panel  
 21 will provide to BDAC members, I think, more diverse range  
 22 of perspectives on issues of central concern to folks in  
 23 the San Joaquin Valley, including sustainable water  
 24 management, growing urbanization, protection of the  
 25 Valley's natural resources and prime ag lands, and  
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1 maintenance of good water quality for the environment,  
 2 for urban water users and also for farming.

3 They want to speak to you today about their  
 4 concerns. I have asked them to limit their comments to  
 5 about five minutes so that we do have some opportunity  
 6 for exchange. And hopefully, they will give you some  
 7 more sense of the ways that the CALFED program can assist  
 8 the efforts of all concerned people in the San Joaquin  
 9 Valley to promote efficient water use for all, to protect  
 10 water quality, insure manageable growth, which is a  
 11 central issue in this valley, I know, and steward the  
 12 vast natural resources of the valley.

13 May I ask, is Dan Whitehurst in the  
 14 audience?

15 UNIDENTIFIED VOICE: I don't see him here.

16 MS. SELKIRK: Okay. So we have seven panelists  
 17 that were invited and confirmed to be here today. Dan  
 18 Whitehurst who was supposed to be our first panelist has  
 19 not arrived yet and I have not heard from him one way or  
 20 the other, that he is not going to be here. So he may  
 21 just be late.

22 I have also asked three members of BDAC to  
 23 be respondents to the panel today. Ann Notthoff, Byron  
 24 Buck, and Marcia Sablan will be prepared to make comments  
 25 on some of the issues that are raised by out panelists.  
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1 Let me take just a few minutes to introduce  
 2 them to you. We have Dr. Al Sokolow, who is a retired  
 3 UC Davis professor.

4 MR. SOKOLOW: No, I am not retired. Former.

5 MS. SELKIRK: No, I'm sorry. Oh, forgive me.  
 6 Currently a public policy specialist with the UC  
 7 cooperative extension. He is Associate Director of the  
 8 Agricultural Issues Center at UC Davis and is currently  
 9 working -- is studying the feasibility of conservation  
 10 easements on ag lands.

11 We also have Michael McFarland who is with  
 12 the Fresno Audubon Society, has been the conservation  
 13 chair for the Audubon Society for the last year.

14 Eric Vink has joined us. He is the field  
 15 director for the American Farmland Trust and he is  
 16 responsible for that organization's effort to stop the  
 17 loss of California's most productive ag -- farmland to  
 18 urbanization.

19 We are also joined by Lloyd Carter, who is  
 20 among other things a former journalist who wrote a number  
 21 of stories about the Kesterson problem in the mid 1980's.  
 22 He's now an attorney with the State Attorney General's  
 23 office, is head of the California Save Our Streams  
 24 Council and has -- will speak to us about the issues on  
 25 his mind specifically -- I think also regarding the  
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1 restoration of the San Joaquin River.

2 Dave Todd has also joined us. He works in  
 3 the Water Conservation Program for the City of Fresno.  
 4 He -- I wanted to say one interesting thing which is that  
 5 he produced, directed, and cowrote a limited series on  
 6 water efficient landscaping for public television in the  
 7 area. And also has developed some water education  
 8 software for high school students.

9 And Dave is going to talk to us today about  
 10 concerns of urban water users in water conservation in a  
 11 large city like Fresno and the valley.

12 And finally, we will be joined later, I  
 13 hope, by Mike McElhiney who is a water quality specialist  
 14 with NRCS, the Natural Resources Conservation Service.  
 15 He's been working with a lot of farmers in a different  
 16 area of the San Joaquin Valley in what's called the West  
 17 Stanislaus unit, where they're doing some very active  
 18 programs for water quality improvements and also for  
 19 habitat restoration and flood plain restoration in that  
 20 area of the San Joaquin Valley.

21 So with no further adieu, why don't we start  
 22 with Dr. Sokolow and followed by Michael McFarlan, Eric  
 23 Vink, Lloyd Carter, Dave Todd, and then Mike McElhiney if  
 24 he shows up, and also Mr. Whitehurst if he makes it  
 25 today. Thank you.

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1 MR. SOKOLOW: Thank you, Mary, and members of  
2 the Council. Mary has a couple of handouts that -- stuff  
3 we produced. One is a recent report on farmland policy  
4 in the Central Valley and the other just came out this  
5 week is the current issue of California Agriculture,  
6 which is produced by the Division of Natural Resources at  
7 the University that deals in large part with farmland and  
8 urbanization issues.

9 That's hot off the press and in fact it  
10 might be singing. (sic) Watch your fingers.

11 I'm Al Sokolow, my current job is that of  
12 public policy specialist for the UC Cooperative Extension  
13 and I have a job which is very similar to that of David  
14 Sunding. He's on the Berkeley campus, I'm on the Davis  
15 campus. Both of us, however, have statewide  
16 responsibilities.

17 Much of my work in research and outreach has  
18 to do with farmland protection policy and land use. And  
19 what I'd like to do is very briefly comment on the  
20 connections between water policy and land use policy in  
21 California, or the lack thereof, which sometimes we  
22 emphasize.

23 I think there is a lack of synchronization,  
24 of integration between the water policy arena and the  
25 farmland protection arena, which is really a part of the

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1 larger land use urbanization arena.

2 In part, in large part it's because the  
3 decision making focus is quite different. Water policy  
4 is highly centralized. Much of what drives water policy  
5 of course has to do with decisions made in Washington and  
6 in the state capital. Not all of it but much of it.

7 While land use policy is highly  
8 decentralized in the hands of the 400 plus cities and  
9 counties in California. Even though land use operates --  
10 land use policy operates under a framework which is  
11 established by the state and passed onto the cities and  
12 the counties, in effect there is a lot of discretion as  
13 to how the cities and counties work with that framework  
14 on a community specific basis. There's a lot of  
15 discretion, a lot of home rule or local control in this  
16 area, which sometimes is another way of saying  
17 status quo. Local control. Not always but sometimes.

18 There is a further disjunction here in the  
19 land use area, land use water area arenas in that the  
20 agencies that control land use, the general purpose  
21 governments, the cities and the counties are not --  
22 properly -- among the agencies -- they are not the only  
23 agencies that control water supply. In fact, they are  
24 probably less important that the districts and the  
25 wholesalers of water in terms of the availability of

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1 water although the cities and the counties, especially  
2 the cities, are much more involved in the retail aspects  
3 of this.

4 We see this in how cities and counties  
5 approach water issues in their planning processes. In  
6 their general plans in particular.

7 While every city and county has an element  
8 that's devoted to land use in its general plan, this is  
9 mandated, it doesn't have an element devoted to water and  
10 if water shows up, it comes into the conservation  
11 element, a few -- mandatory or expected pages here or  
12 there.

13 It comes up in the infrastructure aspects;  
14 frequently water is treated more as an infrastructure and  
15 infrastructure funding issue than it is as a supply or  
16 water quality issue, showing that the cities and counties  
17 are really not -- not on top of water issues.

18 There are obvious connections, however,  
19 here. To a large extent, water conditions drive land use  
20 decisions, much more so than land use decisions drive  
21 water decisions, although it's more implicit than  
22 explicit. But certainly as far as the private actors in  
23 this arena are concerned, at least in the Central Valley,  
24 the agriculturists, water is a much more precious limited  
25 commodity than land use.

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1 And the more involved we are in an area  
2 which is dependent on agricultural water for -- from  
3 imported sources, from surface water that's  
4 transported from elsewhere, the state and the federal  
5 projects, the more farmers tell us that they really  
6 don't care much about the land use or the availability of  
7 land; as far as you know visually looking at the Central  
8 Valley, there's enough land from horizon to horizon to  
9 accommodate production into the foreseeable future. The  
10 real issues, the real concerns, have to do with water  
11 supply.

12 And that view is more pronounced the closer  
13 you get -- the further south you get, the further west  
14 you get in the Central Valley. Certainly it was the case  
15 in some interviews we did in the early '90's.

16 So looking at both private and public  
17 actions, the availability and the cost of water at least  
18 on the public actor side, the actions of cities and  
19 counties in terms of where growth goes, is seldom used  
20 explicitly either to protect farm land or to direct urban  
21 growth.

22 Now, that may be changing in small measure  
23 because of the Costa legislation of 1995, SB-901, which  
24 requires that water availability be put into the EIR  
25 process and that what the water agencies say, the local

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1 water agencies say, must be taken by the cities and  
2 counties when they do their general planning.

3 But I'm very cautious about saying that just  
4 because something is in legislature, it means changes are  
5 going to occur. I think it may be a very pro forma kind  
6 of thing as many other things in general plans and in the  
7 EIR process, the CEQA process.

8 We'll just have to see. I think it's worth  
9 tracking to what extent city and county planning and land  
10 use issues are now more dependent upon water  
11 availability, supply, and cost.

12 There's also current legislation that would  
13 extend the same idea to LAFCO actions, Local Agency  
14 Formation Commission actions, when they look at city  
15 spheres of influence and city annexations and other  
16 boundary changes to consider water availability as an  
17 essential element of that.

18 What I'd like to do very briefly is to make  
19 a small number of comments in the next two or three  
20 minutes about the possible connections. Or what could be  
21 the connections between water availability and land use  
22 decisions, particularly in the context of the San Joaquin  
23 Valley.

24 And in part I build upon the very intriguing  
25 ideas that Mark Rizner (phonetic) put forth about a year  
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1 or so ago in a publication, the American Farmland Trust  
2 -- American Farmland Trust Commission and Eric may want  
3 to talk a little more about this, in which he raises the  
4 provocative idea that really the available -- the  
5 reliance, the reliability, the assurance of water should  
6 be used as a hook to get farmers to agree to stay in the  
7 business for long periods of time and to avoid selling  
8 out for land -- for development.

9 I'd like to build upon that a little bit  
10 more and go on and really throw out a couple of ideas.  
11 It seems to me the potential here is to use that hook,  
12 the assurance, the reliability, the cost in -- a  
13 long-term -- 20, 25, 30 years, Rizner talks about 25 to  
14 30 years, as a way to stabilize what we call the farm  
15 urban edges.

16 This is a very big problem for California  
17 agriculture and for people who live in residential --  
18 residences near agriculture. The negative impacts of  
19 having those two kinds of land uses in close proximity.

20 In many respects, this is a bigger and more  
21 immediate problem than the straight conversion of  
22 farmland to urban uses. We hear numbers about the  
23 acreage that's converted every year. We heard a number  
24 this morning from the Secretary of State Jones, hundred  
25 thousand acres per year of farmland converted into  
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1 development. It ain't so. That's vastly exaggerated,  
2 that's misleading.

3 If you look at all sources of land taken out  
4 of production for all purposes, it may approach something  
5 like 70 or 80 thousand acres a year in California. But  
6 it ain't a hundred thousand and certainly a hundred  
7 thousand is not a figure that applies to the direct  
8 conversion of farmland to urban uses.

9 In the Central Valley, it's more like 15 to  
10 20 thousand acres a year by our estimates and that's in  
11 the other report that you have there.

12 That's not to say it's not a problem. It is  
13 a problem. But let's not mislead people in terms of the  
14 numbers we throw around.

15 In some respects again, the more immediate  
16 problem is the conflict you have at the farm urban edge  
17 simply because when you got those conflicts, those  
18 tensions, relating to what farmers do, relating to what  
19 urban people do and how they affect the respective land  
20 uses, whether it's pesticide use, whether it's vandalism  
21 or so forth, the incentive there is for the farmers in  
22 operation, in that situation to want to sell out and move  
23 elsewhere.

24 And so the result here is that we have a  
25 series of rolling edges in which today's edge becomes  
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1 tomorrow's urbanization maybe inefficiently developed.

2 I think it's in the best interest to  
3 stabilize these edges, to make them permanent, to create  
4 a peaceful coexistence here and I think the availability  
5 of water supply combined with some other mechanisms  
6 including conservation easements and buffers would go a  
7 long way to stabilizing these edges.

8 Second aspect here very briefly, I think  
9 we can look at the hook, the water supply hook in  
10 relation to land use and farmland protection in relation  
11 to how it links up with other kinds of tools and  
12 incentives and mechanisms, including conservation  
13 easements. A lot of interest these days in California,  
14 we have a new state program in this area and there's a  
15 tremendous potential here in thinking through the  
16 relationships between private land owner incentives and  
17 public tools.

18 And then finally, I think there's an  
19 opportunity here for the state to do some proactive  
20 planning in a way in which it has not done in many, many  
21 years. To develop some alternative growth  
22 scenarios, urban growth scenarios, in which water supply  
23 issues, water quality, water cost issues are complained  
24 combined and related to other kinds of questions; land  
25 use, air quality, transportation and so forth, in order  
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1 to lay out some alternative growth scenarios as to where  
 2 growth should be going in this state, in should this  
 3 valley, in this region, in the north state.  
 4 There are some trade-offs that we need to  
 5 look at and we can only do it at the state level by  
 6 engaging in this kind of planning. There are trade-offs  
 7 as between growth in the valley versus growth in the  
 8 foothills. What about the question of new towns, an  
 9 issue that has really not been given a fair treatment.  
 10 Should we be thinking in terms of new town development as  
 11 a way of congregating our growth. And I'll just leave it  
 12 at that and thank you very much.

13 MS. SELKIRK: I wanted to also note that our  
 14 last panelist has arrived, Dan Whitehurst, and I wanted  
 15 by way of introduction, Mr. Whitehurst is Chairman of the  
 16 Board of Directors the Great Valley Center. He is the  
 17 former mayor of Fresno, a San Joaquin native and fifth  
 18 generation California, and -- I believe you were mayor  
 19 when Fresno was voted the most liveable midsized city in  
 20 the U.S.

21 MR. WHITEHURST: The least liveable, actually.

22 MS. SELKIRK: Oh, the least liveable.

23 MR. WHITEHURST: I was the -- I was the worst  
 24 mayor in the country.

25 CHAIRMAN MADIGAN: Well, welcome. You're in  
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1 good company around here.

2 MR. WHITEHURST: Yeah, in fact shortly before I  
 3 came into office, it was -- Fresno was an all American  
 4 city and when I left office, it was the worst city in the  
 5 country so -- draw your own conclusions.

6 Thank you, and thank you for coming to  
 7 Fresno to consult the community here in the work that  
 8 you're doing.

9 I thought I might offer some comments on  
 10 what's happening in the Central Valley from the  
 11 perspective of someone who's not a water expert but just  
 12 more actually focussed on the urban side, and talk a  
 13 little bit about the economy and some of the community  
 14 dynamics that exist here that might have an effect on the  
 15 work you're doing.

16 This area is obviously an agricultural area  
 17 but it's also a rapidly growing urban area. Fresno, for  
 18 instance, is now a city of about 410,000 people within  
 19 the city limits. When I was in office, when I was  
 20 elected, it was about 180,000 people. And that was in  
 21 1977 and so you get a sense of the rate of growth in  
 22 Fresno.

23 The projections, as you may know, for the  
 24 Central Valley population is that it will triple by the  
 25 year 2040. It will grow at a faster rate than the rest

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1 of the state, is the projection.

2 One of the puzzles to us is why is it  
 3 growing. We -- people always ask us that so why are  
 4 people moving there and the answer is generally, we do  
 5 not know. But we have theories. It's not economic  
 6 reasons, generally.

7 In other words, our economy -- we have very  
 8 high unemployment in the valley. You may be aware of  
 9 that. We are running on average in double digit  
 10 unemployment for 20 years. On average, 20 years  
 11 straight, double digit unemployment. While the rest of  
 12 the country and the rest of the state are enjoying --  
 13 you're hearing in communities two, three, four percent  
 14 unemployment. We have cities in the valley that are 25  
 15 percent unemployment.

16 And people keep moving here. They are not  
 17 moving here for jobs. They are moving here for family  
 18 reasons. Social connections, a lot of immigrants who  
 19 move here because they have relatives here, there's a  
 20 community here that they can belong to.

21 So we have had a problem -- our unemployment  
 22 problem is not the product of a declining economy. It's  
 23 the product of increasing population and a flat economy.  
 24 Agricultural employment relatively flat, but population  
 25 growth fairly significant.

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1 I'm involved in a group called the Great  
 2 Valley Center. And we have actually a fairly  
 3 optimistic view for the valley. The challenges here are  
 4 fairly significant, we think. But we have an optimistic  
 5 view.

6 The things we are working toward are  
 7 agricultural preservation, environmental quality, broadly  
 8 defined to include habitat, conservation, resources  
 9 management, growth -- urban growth management, managing  
 10 our growth well, and economic development, creating jobs  
 11 for the people who are here and who are going to be here.

12 So ag preservation, environmental quality,  
 13 growth management, economic development.

14 Some would argue those are conflicting  
 15 goals. How can you have economic development and ag  
 16 preservation. How can you have ag preservation and  
 17 environmental quality.

18 In our view these -- there are some -- there  
 19 are some conflicts in there but I think there's a sense  
 20 in this region that people now are sort of more prepared  
 21 than ever to look for common ground.

22 There was a -- I think a terrific report  
 23 done just recently here in Fresno County by a  
 24 collaboration of groups including the Fresno Business  
 25 Council, the Chamber of Commerce, American Farmland

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1 Trust, the Building Industry Association and the Farm  
2 Bureau called the Landscape of Choice. The group that  
3 put this together is the Growth Alternatives Alliance, I  
4 see Eric here who's deeply involved in that.

5 Basically, it was these groups that  
6 historically had been competing or in conflict in some  
7 way, saying let's find common ground and they did it in  
8 what we think was a -- I think a very progressive and  
9 visionary kind of statement about how we might manage our  
10 growth in the future so that we can preserve agriculture,  
11 expand our economy, provide affordable housing.

12 And I think the sense was that if we look  
13 for ways of accommodating these various goals and work  
14 together constructively rather than ignoring the  
15 opposition or dismissing them, that we'll have a chance  
16 to move ahead on all these fronts.

17 I think I'll wrap up with just some -- in  
18 terms of what I consider our overarching, overriding goal  
19 here in the valley. I would say it's an economic goal.  
20 The poverty rates in our region are fairly serious.

21 In Fresno, for instance, in the Fresno  
22 Unified School District, which is one of the five largest  
23 school districts in California, over half the kids are on  
24 AFDC. Well over a quarter of our people in Fresno County  
25 live in poverty and I would say that's -- that's probably  
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1 a fairly consistent figure up and down this part of the  
2 valley.

3 We've got to find ways to expand our  
4 economy. I think the location of the University of  
5 California campus in Merced will do something toward that  
6 goal. But we're concerned about a whole range of issues  
7 but dealing with the poverty here and strengthening the  
8 economy, I put at the top of the list.

9 Thank you.

10 MS. SELKIRK: Thank you very much, Dan. We  
11 have also been joined by our final speaker, Mike  
12 McElhiney. You want to come up, Mike.

13 Next we will hear from Mike McFarland, who's  
14 the conservation chair for Fresno Audubon.

15 MR. McFARLAND: Well, again my name is Mike  
16 McFarland. I'm serving as conservation chair for Fresno  
17 Audubon.

18 In respects to CALFED and water issues, I am  
19 a lay person and coming from the general public and I was  
20 invited to speak to the Council from the environmental  
21 perspective.

22 I would just comment that in a broad sense,  
23 I'm a conservationist. I was raised on a family farm.  
24 My entire career has been ag-related and my entire life  
25 has been -- connected to farming.

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1 I'm also serving as a representative for  
2 Fresno Audubon on the San Joaquin River Riparian Habitat  
3 Program. That has been given a green light by the U.S.  
4 Bureau of Reclamation and the U.S. Fish and Wildlife  
5 Service.

6 The CALFED issues that I would like to  
7 address, I'd like to begin with ecosystem restoration.  
8 Living here in Fresno, of course, I'm very closely  
9 associated with the problems of the lower San Joaquin  
10 River.

11 At a CALFED hearing here in Fresno earlier  
12 this spring, I spoke with a CALFED representative who  
13 said that the lower San Joaquin River has a low priority  
14 to CALFED because of the great degree of environmental  
15 degradation that has occurred in the river and therefore,  
16 it has a -- a low priority.

17 I think that's a mistake. I would like to  
18 see CALFED devote substantial efforts and funds to  
19 restoring the lower San Joaquin River, including  
20 increasing water flows.

21 I was pleased to see that the CALFED  
22 program has a water quality program built into it. I'd  
23 like to speak a little bit about that. I hope that the  
24 CALFED process comes up with a well-funded monitoring  
25 program.

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1 A recent article in the Fresno Bee published  
2 May 1st addressed water quality problems here in the  
3 valley and in the San Joaquin River. It was a result of  
4 -- it reports -- the newspaper article reports on a  
5 U.S. Geological Survey study and I'll quote a little bit  
6 from the article.

7 The San Joaquin Valley's well water serving  
8 more than 2.5 million residents from south of Bakersfield  
9 to north of Stockton is among the poorest quality in the  
10 United States.

11 The study found a contaminant called  
12 nitrate, probably from farm fertilizers that have  
13 violated the drinking water standards in 25 percent of  
14 the residential wells that were tested in 70 different  
15 sites in Central California. It also detected pesticides  
16 in more than half of the samples.

17 Looking at the results, you could say that  
18 this basin is in miserable shape, said Neil DeBrotsky  
19 (phonetic). But you have to remember that not one of  
20 these pesticides exceeded a drinking water standard.

21 So pesticides are an issue to address. I  
22 know that they are somewhat controversial.

23 In that regard, in the latest figures that I  
24 can come up, 1995, Fresno County led the state in the  
25 amount of pesticide use, 40.6 million pounds of

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1 pesticides. That's a 74 percent increase over 1991.  
 2 And pesticides are getting into the ground  
 3 water supplies and -- in the San Joaquin River.  
 4 I'd like to talk a little about farmland  
 5 and urban needs. I do support the land retirement  
 6 program that CALFED is proposing for voluntary retirement  
 7 of farm lands that are associated with toxic run-offs,  
 8 selenium, for example. And at the CALFED public hearing,  
 9 the land retirement program was strongly opposed by the  
 10 agricultural community and I think many of those speakers  
 11 did not emphasize -- in fact they neglected to point out  
 12 that the land retirement program is voluntary. And they  
 13 see that as a threat to agriculture in the valley.  
 14 I would also like to speak about population  
 15 growth and urbanization in the valley. You have heard  
 16 that the forecasts for a -- doubling of the population  
 17 here in Fresno in the next roughly 20 years.  
 18 I would hope that the CALFED planners come  
 19 up with a program whereby we can -- we can link water  
 20 availability to area farmers to keep them in business to  
 21 -- to preserve the farmland and prevent unsustainable  
 22 urbanization here in the valley.  
 23 Rid Conselek (phonetic), who is a regional  
 24 planner, has looked out to the year 2080 and has forecast  
 25 a population of about 30 million people in the Central  
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1 aspects of CALFED, I would encourage CALFED planners to  
 2 look at restoring wetlands wherever possible, to  
 3 compensate for high water levels during flooding and  
 4 restoring -- wetlands would increase wildlife habitat,  
 5 increase the role of a natural process in water quality,  
 6 water purification, and the wetlands would also play a  
 7 role in recharging ground water supplies.  
 8 That concludes my remarks.  
 9 MS. SELKIRK: Thank you, Michael.  
 10 Eric Vink, Field Director for the American  
 11 Farmland Trust.  
 12 MR. VINK: Thank you. And thank you for the  
 13 opportunity to appear this afternoon.  
 14 I'd like to begin my comments by just  
 15 talking briefly about the context in which your  
 16 discussion here today is occurring relative to the  
 17 San Joaquin Valley.  
 18 As Dan Whitehurst mentioned, a projected  
 19 tripling of the population in this region, the area from  
 20 Stockton in the north to Bakersfield in the south, we are  
 21 currently at about three million people, projected to be  
 22 over nine million people by the year 2040, that  
 23 population increase leading to a conversion to urban uses  
 24 of agricultural land over a wide swath of the most  
 25 productive agricultural lands, which is along the  
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1 Valley if nothing is done to preserve farmland.  
 2 Regarding water use efficiency aspect, I  
 3 would like to encourage CALFED to maximize urban and  
 4 agricultural use efficiency and conservation over  
 5 building new dams and reservoirs and canals. The massive  
 6 public works constructions would be very costly to  
 7 taxpayers and by focussing on conservation, much could be  
 8 achieved with much fewer tax dollars spent.  
 9 Regarding storage and conveyance, I would  
 10 encourage CALFED planners to maximize undercurrent  
 11 storage over surface storage. New dams and reservoirs  
 12 should be looked at as a last resort. It's less  
 13 expensive and much easier on the taxpayers.  
 14 And related to conveyance, the Alternative 3  
 15 includes a so-called peripheral canal and I -- the  
 16 environmental community has serious reservations about  
 17 the effect that that canal could have on the ecology of  
 18 the San Francisco Bay and delta.  
 19 In regard to water transfers, I encourage  
 20 CALFED planners to give it a great deal of thought.  
 21 Water transfers could lead to the depletion of ground  
 22 water, they could be detrimental to rural communities.  
 23 The water transfers could increase the demand for water  
 24 on the Bay-Delta and its watershed.  
 25 Addressing the less -- the (inaudible)  
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1 Highway 99 corridor; according to a projection that we  
 2 released a couple years ago, almost a million acres of  
 3 productive agricultural land in the valley, that's one  
 4 out of six irrigated acres in the San Joaquin Valley  
 5 would be converted given those population projections and  
 6 given the current urbanization trends in the valley.  
 7 In addition to that, conversion due to  
 8 urbanization, you add on top of it the conversions  
 9 related to environmental policies, the projection by Don  
 10 Villarejo this morning that there could be an even  
 11 greater impact from the conversions to environmental  
 12 policies than the urban conversions.  
 13 So the challenge as we see it at American  
 14 Farmland Trust is how do we minimize the loss of this  
 15 productive farmland resource given that context.  
 16 Most importantly from our standpoint,  
 17 because retaining farmland will provide a far better  
 18 platform for accomplishing environmental gains in the  
 19 Central Valley than the alternative which is  
 20 urbanization, and it's precisely that choice that we face  
 21 in the Central Valley. An agricultural future or an  
 22 urban future. The great natural resource of agriculture  
 23 replaced will not be restored, it will not be restored  
 24 with nine million people in the valley, but we could lose  
 25 a second great resource to the continuing onslaught of  
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1 urbanization in the form of our productive agricultural  
2 land base.

3 Which leads to the question of how to  
4 minimize the loss of farmland, and this is what I make  
5 my living from so I could talk a long time about this.  
6 But let me just mention a couple of things very briefly.

7 Our most promising efforts to date relate to  
8 promoting more compact patterns of urban development.  
9 There's a clear recognition that this valley will  
10 continue to grow. Our great challenge is how we grow in  
11 the future because our past has been growth in a fairly  
12 low density land consuming pattern.

13 And by adopting more compact patterns of  
14 development, we can minimize that conversion. Dan  
15 Whitehurst mentioned the Fresno Growth Alternative  
16 Alliance report. I just handed around a summary of that  
17 report; 27 detailed policy recommendations to guide  
18 future planning and development decisions of the local  
19 governments in Fresno County.

20 Efforts that really began with our report a  
21 couple years ago where we looked at the projected  
22 population gain throughout the Central Valley, we  
23 highlighted and contrasted two different development  
24 scenarios for accommodating that increased population and  
25 really made the pitch for the need to move towards a more  
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1 compact form of urban development to minimize the lands  
2 currently consumed by these low density patterns.

3 Secondly, expanding the existing tool  
4 base -- or the existing tool box, excuse me, for  
5 farmland conservation such as we proposed in linking  
6 water supply and farmland protection in the paper that  
7 Mark Rizner (phonetic) wrote for us last fall and such as  
8 will be included in a report by the Agricultural Task  
9 Force which will be released and includes recommendations  
10 on land use that come squarely from the mainstream  
11 agricultural community, farmers and farm organizations  
12 that have a strong and grave concern about this loss of  
13 farmland to urbanization.

14 Finally, let me just conclude by talking  
15 about how this all relates to CALFED. Much of your  
16 meeting over these past couple days has focussed on land  
17 retirement.

18 There is clearly a need to retire irrigated  
19 agriculture on the most drainage-plagued lands. However,  
20 at what point does the program become a source of  
21 additional water rather than a program to reduce the  
22 drainage-related impacts of agricultural plans. And our  
23 concern is that if great care is not taken in designing  
24 the lands retirement program, that valley agriculture  
25 could suffer two enormous impacts; a huge chunk out of  
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1 the land base due to urbanization and perhaps an even  
2 larger chunk due to conversion for environmental  
3 purposes.

4 Thank you.

5 COUNCILMEMBER HILDEBRAND: Can we have  
6 questions as we go along or wait to the end?

7 MS. SELKIRK: Why don't we wait until the end  
8 of the panel. And I also note that Senator Costa is  
9 going to appear at any moment but -- we will have ample  
10 time for discussion after -- at the conclusion of the  
11 panel.

12 Lloyd Carter, who I believe has a slide show  
13 or --

14 MR. WHITEHURST: That's not fair.

15 MR. CARTER: This is a slide show, by the way, by  
16 a photographer named Jim Kernan (phonetic) and the prints  
17 were on display over at the new City Hall over here in  
18 Fresno, if anyone gets an chance to get over and see  
19 them. There is also a CD, they are being put on CD ROM  
20 and they are being shown on TV. They cycle through every  
21 five seconds so when I get to the end of them here, it's  
22 time for me to wrap it up.

23 I want to first state my disclaimer here.  
24 As a Deputy Attorney General, I'm a three strikes  
25 appellate prosecutor and although there are some people  
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1 that might say there are some three strikes candidates in  
2 the water world, I have nothing to do with California  
3 water issues as a Deputy Attorney General and any  
4 comments here on legal matters are mine alone. I want to  
5 say that.

6 And I want to say briefly, more what I did  
7 as a newsman, I spent most of my career with UPI and a  
8 few years with the Fresno Bee in the mid '80's. I'm  
9 quite confident that nobody in this room has written more  
10 about San Joaquin Valley water issues than I have, for  
11 which I won numerous awards for my coverage.

12 So I feel fairly comfortable talking about  
13 specifics. And Kesterson was my big story as a  
14 journalist and hopefully everybody in the room knows what  
15 that was. The little depository for waste water off the  
16 west side farms that triggered mutations in wildlife.

17 It was very big in the news about 13, 14  
18 years ago and it has kind of faded from the public  
19 consciousness, which I think is unfortunate because I do  
20 not think there is more -- yeah, these show the river is  
21 used as a dumping ground. I think it's probably too much  
22 light in here to see these very well. Maybe we can show  
23 them. Some of them you can see.

24 Okay. Anyway, I want everybody to  
25 understand that I think that Kesterson is an extremely  
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1 important symbol of what's wrong in California water  
2 issues. And what I want to talk about today in the few  
3 minutes that I have is the unspoken threshold premise of  
4 CALFED. And I can't seem to get people to talk about the  
5 things that I think are important so let me just  
6 hopefully shift the paradigm for the folks on the  
7 Advisory Council here and get you thinking about these  
8 things.

9 One of the unspoken premises is that we are  
10 going to keep hundreds of thousands of high selenium  
11 soils in the west valley in production under the premise  
12 that that is a good thing. Even though there is no  
13 drainage solution in sight, it's clearly uneconomical to  
14 purify this water and the solution that we have adopted  
15 post-Kesterson is to build more Kestersons.

16 People might be surprised to know there are  
17 more birds dying at higher rates of deformity in the west  
18 side ponds now than ever occurred at Kesterson.

19 And I want people to think about the fact  
20 that we are using six to eight hundred dollars worth of  
21 water on the retail market to grow \$150 worth of cotton.

22 We got a million acres of cotton in this  
23 valley and a lot of years it's surplus and the taxpayers  
24 got to buy it back. I wrote in 1984 and quoted  
25 government experts as saying the cheapest, most efficient  
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1 portion.

2 And these photos show water in the river but  
3 usually when the river is dry from Gravelly Ford, which  
4 is a few miles west of Fresno and down from Mendota, and  
5 from Mendota down to the confluence with the Merced  
6 River.

7 When the river's dry, people use it as a  
8 garbage dump because they don't want to pay the 20 bucks  
9 to go to a disposal site and they dump tires, old cars,  
10 whatever garbage, they use the riverbed as a dumping  
11 ground. Farmers camp and live in the river bottom when  
12 it's dry in the summer. There's public health problems,  
13 no lavatory so people defecate in the river bottom.

14 No. 4 unspoken premise of the CALFED that  
15 apparently we are going to continue to ignore is that we  
16 can continue to use the lower San Joaquin River as a  
17 sewer line. Not only for the drainage water that comes  
18 out of the west -- not the westlands anymore but the  
19 Delta-Mendota service area; agricultural drainage water  
20 loaded with selenium but also all of the dairy wastes  
21 that come off the west side.

22 In addition -- and pick on everybody here --  
23 cities, I think Modesto at times puts water -- correct  
24 me, Dan, if I'm wrong. I think at times, waste water  
25 from some of the cities in the valley ends up in the  
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1 way to solve California's water problems was to retire  
2 the bad lands of the west side.

3 The first warning that a lot of the alkaline  
4 land on the west side should have never been farmed came  
5 in 1916, when of course that was ignored. In 1949, David  
6 Lauff, a famous U.S. Geological Survey scientist, issued  
7 a warning about not farming selenium soil. That was  
8 ignored. That is the first unspoken premise.

9 The second one is that there will be a  
10 drainage solution. Listen, I have been in the news  
11 business since 1969 and I have been listening about the  
12 drainage solutions that are right around the corner.

13 That will not happen. We are bringing three  
14 million tons of salts, which is a generic term, into the  
15 west side and putting them on land that is already loaded  
16 up with selenium, boron, mercury, acromion, uranium,  
17 sodium sulfates. It's a mess and there is no solution in  
18 sight.

19 The third unspoken premise is that it's okay  
20 to leave the San Joaquin River out of any kind of a  
21 Bay-Delta ultimate solution. The river is dead -- this  
22 is a portion of the river, of course, substream from  
23 gravel before, at the moment thanks to El Nino we do have  
24 a living river again. But for the last 50 years, every  
25 summer the river is dried up for 50 miles in its middle  
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1 San Joaquin River.

2 MR. WHITEHURST: It happens, yeah.

3 MR. CARTER: Right. So the lower river is  
4 unfit for drinking, swimming, eating the fish. It's a  
5 sewer. They call it, in the lingo of the Water Board,  
6 it's a Water Quality Limited Segment, which is a  
7 wonderful euphemism.

8 Premise No. 5 of CALFED apparently is that  
9 we can have endless growth in California. I mean we're  
10 going to put what, 50, 60, 70 million more people in  
11 here? Nobody wants to talk about drawing a line.

12 But we want to keep building ever more  
13 storage facilities, blah, blah, blah. We've got to have  
14 some kind of big picture view of, you know, where we draw  
15 the line on water.

16 I'm going to talk briefly about ground water  
17 in the San Joaquin Valley. Mike already hit some of the  
18 dismal picture of the ground water in this valley, which  
19 is deteriorating extremely rapidly.

20 We are also overdrifting. There's 1800  
21 dairies that are in this valley now. A lot of them moved  
22 up from Chino Valley over the last 20 years where they  
23 totally destroyed the aquifer.

24 Up until the Chronicle here a year ago did a  
25 story, there was one dairy inspector for 1800 dairies.  
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1 They now added two more so we have three guys to monitor  
2 1800 dairies. They produce the equivalent waste of  
3 21 million people.

4 We grow huge amounts of alfalfa in the  
5 valley which is an extremely water consumptive crop to  
6 keep those dairies going. There is no monitoring of  
7 nitrate levels.

8 One of the things Mike didn't say about  
9 nitrates is that they can cause what's called Blue Baby  
10 Syndrome. They can be fatal to infants. A lot of the  
11 wells along the east side particularly.

12 So to be fair to the fertilizer producers,  
13 because I have done a lot of stories on nitrates, the  
14 fertilizer people will tell you that the reason so much  
15 fertilizer gets into the ground is because the farmers  
16 overirrigate.

17 So everybody has a defense of their position  
18 but one thing we can all agree on is that the nitrate  
19 load into the aquifer in this valley continues to  
20 increase.

21 I see very little discussion whatsoever  
22 of public trust issues. Except lip service. The  
23 San Joaquin River belongs to the people of California.  
24 The Water Board in 1959 decided to dry up that river in  
25 its entirety, basically a gravelly ford below Friant Dam

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1 15 miles west of Fresno, and thereby they have  
2 extinguished completely the public trust values in that  
3 river, including navigation, recreation, fisheries,  
4 ground water recharge.

5 There's a gentleman here from Mendota today,  
6 Ed Petry. Mendota is a river town that used to have  
7 beautiful high quality water before Friant Dam. It's a  
8 farm worker town essentially now. The river has been  
9 dried up, upstream from Mendota, and they have to truck  
10 water in to the people of that town.

11 The State Water Board -- I should tell you  
12 one other thing. Save Our Streams is the group that I'm  
13 involved in which basically was started out to protect  
14 Sierra streams and creeks from small hydro development.  
15 It's the principal sponsor of a petition that was filed  
16 with Water Board by the late Carla Bard (phonetic) who  
17 some of you I am sure know, who was the former chairwoman  
18 of the Water Board, demanding that the State Water Board  
19 exercise its duty to protect the public's interest in our  
20 rivers.

21 Every river below the Merced in this state  
22 has been dried up in its entirety for decades. Every  
23 summer. The San Joaquin and King, which are two big  
24 rivers, the Kern, the Tulfi-Kaweah (phonetic), all these  
25 rivers get dried up completely.

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1 The biggest lake west of the Mississippi  
2 river was Tulare Lake. It's vanished, gone, completely  
3 dried up. The Water Board has not acted on Carla's  
4 petition in 18 months and one of the ways that they have  
5 abdicated their responsibility is to defer to CALFED.

6 In my view, the Water Board has the ultimate  
7 authority to administer and protect public trust values.  
8 At the bare minimum, CALFED should send a strong message  
9 to the Water Board that they need to exercise their  
10 public trust duties.

11 These rivers do not belong to special  
12 segments of private industry in California or a special  
13 interest group, they belong to all the general public.

14 I've got a couple more comments and then  
15 I'll close. And I actually have a solution, which may  
16 surprise you. While I'm generally branded an  
17 environmentalist, I guess, I'm usually the skunk at the  
18 picnic so I manage to step on everybody's toes.

19 My solution for the San Joaquin, quite  
20 frankly is -- surprisingly perhaps, is to build another  
21 dam. If you know the history of the San Joaquin River,  
22 Friant Dam is too small and in the wrong place.

23 A good dam, the engineers will tell you,  
24 should hold an average annual flow the equivalent of the  
25 average annual flow of the river, which on the

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1 San Joaquin is 1.7 million acre feet. Friant Dam holds  
2 about 520,000 acre feet.

3 They made this engineering decision back in  
4 the 1930's and they badly miscalculated. Had they built  
5 the dam six miles upstream at Temperance Flat, they could  
6 have stored almost four times as much water.

7 I have approached people to talk about  
8 this solution and since the river canyon and the  
9 San Joaquin is essentially trashed anyway, we might as  
10 well build a dam in the right spot. You can store enough  
11 water and the conditions for building such a dam would be  
12 that you restore permanent flow in the river. You do not  
13 dry up the river, you do not kill up the fisheries, and  
14 with the flow that's required to keep a living river, you  
15 would still have over a million acre feet or 750,000 acre  
16 feet that you could store.

17 And the other tough issue on building such a  
18 dam is who is going to pay for it. Well, my argument  
19 would be economically that -- principal beneficiaries of  
20 it. If that happens to be agriculture, then they should  
21 pay for the bulk of the expense for building a dam, which  
22 probably would cost a billion dollars.

23 But I think it would be worth doing because  
24 otherwise, we will never resolve the issues on the  
25 San Joaquin because there is too much demand on a

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1 dwindling pie.

2 Lastly, I want to talk about the equitable  
3 distribution of water in this valley and in this state.  
4 In this valley, it is close to 90 percent of the water  
5 goes to agriculture. They argue over the figures,  
6 statewide it's somewhere between 80 and 85 percent goes  
7 to agriculture.

8 Mark Rizner, who was mentioned today, and  
9 myself and there's other people in the room who have  
10 written about the obvious inefficient use of water to  
11 produce crops that have value less than the water that is  
12 used to grow them. You folks and CALFED itself and the  
13 State Water Board got to make some extremely hard  
14 decisions and you've got to take on some sacred cows.

15 I am yet -- I am hopeful and I believe  
16 you're all people of good faith and we'll see some  
17 courage because some tough choices have to be made and  
18 there is going to be some screaming going on.

19 But unless somebody does that, we will  
20 continue to spiral downward, the aquifer in this valley  
21 continues to degrade, the Bay-Delta system is going down,  
22 the rivers stay dead.

23 And let me give you one last example of a  
24 situation in California here very specific. I hope  
25 everybody in the room knows the name J. G. Boswell. He  
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1 instructive so far.

2 Senator Costa has joined us, has zipped in  
3 here from the capitol. He has other things to do.

4 Senator, as always, we greatly appreciate  
5 your interest and sponsorship of the CALFED program and  
6 look forward to whatever you can pass on to us that might  
7 be current, including anything that has to do with  
8 possible bond issues or any other conversation you may  
9 have had in the last 48 hours.

10 SENATOR COSTA: Well, thank you very much.  
11 Mr. Chairman, members of the BDAC, Bay-Delta Advisory  
12 Council. It's nice to welcome you here on your two-day  
13 stay in the valley. And we think it's helpful that  
14 you're here.

15 Actually, I was here to speak about a  
16 downtown stadium. You have to be local here to  
17 understand that issue. But it's almost as controversial.

18 The reason that I want to share some  
19 thoughts with you are three points and then to try to  
20 respond to any comments or questions you might have. But  
21 they are the following: The CALFED process in terms of  
22 where we are now and BDAC's, I think, very important role  
23 in that process.

24 The second is to kind of give a valley  
25 perspective in part. And third to discuss as you  
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1 is the richest cotton farmer in the world. He has a huge  
2 chunk of land in the southwest corner of this valley.  
3 And you watch the Cadillac desert series when you saw  
4 that chopper, that Apocalypse Now style, that is Boswell.  
5 J. G. controls nearly a billion dollars worth of water  
6 rights. One man.

7 As I understand the law in California, the  
8 Water Board has the ultimate authority to revise and  
9 modify water rights permits. Therefore, the Water Board  
10 not only can go -- not only people, because I do not want  
11 to pick on Mr. Boswell individually, but the Bureau of  
12 Reclamation in this particular case in the San Joaquin  
13 River. The State Water Board has the power, authority  
14 and the duty, in my view, to revise water permits to  
15 start restoring rivers.

16 Because if you don't have healthy rivers,  
17 you're not going to have a healthy water distribution  
18 system. And so I would hope that you would send a strong  
19 message to the issues that I spoke about to the Water  
20 Board to do their duty.

21 Thank you.

22 MS. SELKIRK: Thank you. Senator Costa has  
23 arrived.

24 CHAIRMAN MADIGAN: Thank you. We are going to  
25 interrupt the panel. It has been very useful and  
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1 mentioned, Mr. Chairman, where we are with the 1998 bond  
2 measure as it relates to other related efforts that are  
3 ongoing and to address California's long-term water  
4 needs. And I will try to do that all in a minute and a  
5 half.

6 Now, I seldom do anything in a minute and a  
7 half, as Sunne McPeak will tell you, but I will try to  
8 give detail to each of the subject matter.

9 First, I really think the CALFED process has  
10 been -- as it's a -- unfurled itself, I think not only a  
11 good process but I think it's having the effect that many  
12 of us had hoped it would have.

13 You know, a lot of people around the state  
14 that are involved in the water issues in recent months  
15 have been predicting the CALFED process falling apart,  
16 that the interaction with BDAC in that effort has not  
17 been what it should and that the ultimate work product  
18 somehow will be determined to be DOA upon its completion.  
19 Dead on arrival.

20 I subscribe to none of those theories at  
21 this point. I think the efforts that have been  
22 accomplished thus far are what I expected them to be  
23 three years ago. And what I have is some -- some, you  
24 know, practical reality discussion here this afternoon.  
25 I hope that's helpful.

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1 For those who I think didn't understand the  
2 CALFED process to begin with and the role that BDAC  
3 played, and then after it began moving along and with the  
4 initial efforts and the passage of Proposition 204 that I  
5 authored, SB-900 and the enthusiasm that followed that,  
6 that somehow at the end of two -- now on the third year  
7 plus of the process, that we would all be in an  
8 agreement.

9 I think that is unrealistic. We have been  
10 debating these water issues in California for over four  
11 decades. They have been contentious. I think if  
12 anything, those who have testified before your advisory  
13 committee today and yesterday have proved once again that  
14 the -- Mark Twain's response to water in the west is  
15 true. I mean we do fight a great deal over our views on  
16 water-related issues.

17 And I'm sure you have gotten diverse  
18 opinions in the testimony that's been here today and  
19 yesterday about how CALFED should resolve some of the  
20 water-related issues here in the valley.

21 But I did not believe in this effort that we  
22 would ultimately end up with a work product, especially  
23 at this stage, where everybody would be as I have said  
24 recently, sitting around the room holding hands and  
25 singing Cumbaya. I mean give me a break. We didn't do  
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1 The third issue is environmental mitigation  
2 and restoration. We have learned that as witnesses have  
3 testified to you, that our past utilization of this most  
4 valuable resource, a resource that we refer to as the  
5 lifeblood of California, in many ways is not a continued  
6 use that we can maintain and still hope to provide for  
7 quality of life issues for future generations to come who  
8 will live here in California, as well as to balance  
9 important habitat and species needs. So environmental  
10 restoration is a common element to every region's needs.

11 And fourth, last but not least, if the last  
12 two years have taught us nothing at all, it should remind  
13 us that we are not adequately prepared as it relates to  
14 our flood needs. I mean, you know, it either is feast or  
15 famine in California. We have either, you know,  
16 prolonged periods of drought combined by years of above  
17 average rainfall that if -- that certainly has sent us  
18 back to the drawing board, at least the hydrologists to  
19 determine what sort of models we need to look at to  
20 provide adequate flood control protection for various  
21 areas of the state, areas that are growing rapidly in  
22 population, and we need to not only look for future flood  
23 control protection, but different ways in which we can do  
24 it cost effectively. Especially areas that have not been  
25 built up yet and are densely populated and we have those  
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1 it in the '80's and we didn't do it in the '70's and we  
2 certainly haven't done it in the '60's.

3 But I believe what CALFED has done and what  
4 BDAC needs to continue to remain focussed on is creating  
5 a pathway that provides as the options at the end -- end  
6 game, when you finish the work product, that will allow  
7 us options for the majority of Californians, the majority  
8 of the leaders in California public policy arena that are  
9 focussed on water to solve some of the pressing issues  
10 that affect this state as it relates to our long-term  
11 water needs.

12 Every region shares four common water issues  
13 in common that they need assistance by the state and the  
14 federal government and locally to come to some consensus  
15 on. And that is, first of all, our water reliability.  
16 Every region in California is concerned about the  
17 long-term water reliability of that area.

18 The second issue that each region in this  
19 state faces in common is the issue of water quality.  
20 Every region in California is concerned about the quality  
21 and the future quality of its water, especially when you  
22 add to the fact that every region is growing -- we are  
23 expecting 17 million more people in California, seven  
24 million of them in this valley in the next 25 years,  
25 between Bakersfield and Red Bluff.

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1 areas that were flooded in the last two years.

2 So those are the four, I think, elements  
3 that are in common to every region of California. And  
4 the problem that we have with CALFED and your process and  
5 BDAC and the advisory capacity is that every region is  
6 getting kind of like as the preferred alternatives begin  
7 to narrow, that they are concerned whether or not the  
8 ultimate work product is going to resolve their concerns  
9 as it relates to those four issues; is my water  
10 reliability -- is it going to be there for our future  
11 region's needs, is our water quality going to be  
12 maintained and improved, are we going to have the ability  
13 to do the restoration and mitigation necessary and, you  
14 know, can we protect ourselves against future floods.

15 And that's why I think you find a lot of  
16 consternation, especially in the last six months as it  
17 relates to your process. Because I think every region in  
18 the state is -- as they look into the detail of the  
19 preferred alternatives that you are advising in your  
20 capacity the CALFED, the state and federal entities and  
21 the stakeholders that are part of that process as to  
22 where are the details that are going to give us the  
23 comfort zone that our issues are going to be dealt with  
24 and appropriately so that, as we like to say, we all get  
25 healthy together. That's the -- invoked term that I and  
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1 others are fond of quoting.  
 2 So I think this process is about where I  
 3 thought it would be. I think the next 18 months are  
 4 obviously key to our success. And to do that, not only  
 5 do we have to have alternatives that are flexible, not  
 6 only does BDAC have to advise CALFED -- and I think it's  
 7 been occurring in recent months -- to make the mid-course  
 8 corrections that it needs to make, to not only insure  
 9 that comfort zone but to maintain the ability for  
 10 everyone in the state who is a stakeholder to feel that  
 11 they -- their input has been listened to and that it's  
 12 incorporated in the flexibility of the ultimate preferred  
 13 solution.

14 And that's probably what's lacking right  
 15 now. There are some elements of certain stakeholders  
 16 that feel that maybe their voices aren't being heard,  
 17 they can't see the detail in the preferred alternatives  
 18 working out in a way that they understand.

19 And yes, we have to figure out -- and this  
 20 is probably an area that I must have the most frustration  
 21 at because it deals in my area -- in getting my  
 22 colleagues focussed on this issue. I mean Lord knows I  
 23 have tried and Chairman Micheto (phonetic) has as well.

24 But I think it's only been in the last 18  
 25 months that we have educated the majority of the members  
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1 could allow us to focus on our water reliability as well  
 2 as our water quality.  
 3 Restoration is, I think, essential to the  
 4 San Joaquin River in various -- and I think there is  
 5 various strategies that will allow us to do so. Some of  
 6 them including those that were suggested by the last  
 7 speaker are extremely costly.

8 I don't know that CALFED is frankly willing  
 9 or has -- maybe you should if you haven't -- tallied  
 10 those as part of the overall costs. I mean I know you're  
 11 looking at a minimal solution that's around \$8 billion  
 12 that the CALFED process is looking at, and a third  
 13 proposal that could include over a 15-year period of time  
 14 an addition of \$12 billion of costs. That's statewide.  
 15 Obviously some of the solutions here in the valley that  
 16 some people would like to see implemented are going to  
 17 take us closer to the latter number than the former  
 18 number.

19 But I think we can get there from here. And  
 20 I really think that CALFED should be ultimately  
 21 constructed in terms of the end game that the preferred  
 22 alternative that is developed over the next 18 months so  
 23 that you focus on the end results as opposed to  
 24 necessarily dealing with specific facilities.

25 Because if we can get everybody to agree to  
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1 in the Legislature. I can't speak for the congressional  
 2 delegation, that CALFED is not a bank. Well, it is a  
 3 bank that -- but that it has an additional meaning as it  
 4 relates to the important activity that is going on.

5 And slowly but surely, we are making  
 6 progress in that area. But I would advise members of the  
 7 BDAC in that vein that it would be helpful and I'm  
 8 certainly -- would help the participants in CALFED, if  
 9 you would be willing to set some time up in the next two  
 10 months while we're still debating the budget. I hope we  
 11 get done in July and -- break it down and to meet with  
 12 members on a regional basis and to educate them what you  
 13 believe is being accomplished in BDAC's advisory role as  
 14 a part of CALFED. That would be extremely helpful, I  
 15 believe.

16 Now, let me give you a valley perspective  
 17 in part because -- I do this with some reluctance because  
 18 I have attempted over the years that I have chaired this  
 19 committee and before when I was in the Assembly to take a  
 20 statewide perspective, and that is I think my overall  
 21 goal. However, I do represent the people between Madera  
 22 and Kern County and I try to do that as best as I can.

23 We have all the water deficiencies, the  
 24 issues that I stated in the outset. They need to be  
 25 addressed. There are, I think, several strategies that  
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1 the end results as it relates to reliability, water  
 2 quality, environmental restoration and flood control  
 3 issues, then you can begin to lay out a series of  
 4 solutions that involve in many cases physical facilities  
 5 and if that doesn't work, you're still committed to the  
 6 ultimate goal.

7 And so then you're going to continue to --  
 8 and I think that's one way that you ultimately build a  
 9 comfort zone. If people really realize from San Diego to  
 10 Eureka that their issues are going to be addressed and if  
 11 this solution doesn't address them then we are going to  
 12 take the next logical step to try to address them, I  
 13 think that is a way that you can build in comfort.

14 I am very concerned with seven million more  
 15 people in this valley in the next 25 years and I think  
 16 that we have got to grow our cities wiser. I'm trying to  
 17 work with local government to do a better job than we  
 18 have.

19 My home town, the Fresno-Clovis area -- I  
 20 actually grew up west of here -- I try to use as an  
 21 example of one of the most poorly planned urban areas in  
 22 California, maybe in the country. We need to do a better  
 23 job of doing our planned-use planning.

24 More needs to be focussed and I am trying to  
 25 work with community leaders in that effort. I think the  
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1 comments that Mr. Whitehurst, our former mayor, will make  
2 as it relates to the collaboration that is being done  
3 among valley representatives is an important step and I  
4 urge them to work in conjunction with every element in  
5 the valley.

6 Because it is far reaching and I think some  
7 of the authority issues that are difficult to deal with  
8 can be resolved in that form and I want to encourage that  
9 effort and I want to be a part of that.

10 But the Valley is not just the sleeping  
11 giant but it is an area where I think we are going to see  
12 the fastest growth in this state in the next 25 years.  
13 Because land is readily inexpensive and because of other  
14 factors that attract people to the valley.

15 I would hate to see that at the cost of that  
16 growth, we lose what I think is one of the state's most  
17 important economies and that's our agricultural economy.  
18 I think the value of food and fiber products are only  
19 going to continue to increase, in an international  
20 economy.

21 And while we can have a great debate as to  
22 what crops are worthy of continuing production and which  
23 aren't, I would not suggest that we recreate the system  
24 that existed in the former Soviet Union and attempt to  
25 have five-year plans on collective farms and say well, I

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1 think I know what's going to be best farmed here better  
2 than you do.

3 Yes, we need to use our water more  
4 efficiently. But what goes unsaid is that we are the  
5 most efficient water users probably in the world in most  
6 of the crops here. It was eight to nine million acres of  
7 production in agriculture, in the last 10 years we have  
8 literally mined thousands of ditches and canals. We have  
9 almost a million acres in drip irrigation. Laser  
10 leveling as is common as motherhood and apple pie, laser  
11 leveling their land when you used to have to flood  
12 irrigate. And we literally have over a million and a  
13 half acres in sprinkler irrigation and other types of  
14 more efficient irrigation usage.

15 So yes, we have done a great deal in the  
16 last 10 to 15 years to better utilize that precious  
17 resource we call water and agriculture. Can we do more?  
18 Yes. Obviously we can do more. But it should not be  
19 brushed over that somehow we are continuing to farm under  
20 the same practices that we did 20 and 30 years ago,  
21 because we are not.

22 And cropping patterns have changed  
23 dramatically. Today the west side of Fresno County,  
24 which is the number one agricultural county in the  
25 nation, produces more garlic than they do in Gilroy.

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1 More lettuce production, other types of production.  
2 Permanent crops, production of fruit crops and trees,  
3 permanent trees and vines, are dramatically increased in  
4 the last five years. And cotton production is --  
5 markedly off this year.

6 Alfalfa, which people use as a water  
7 waster -- I'd like to understand what they mean when  
8 those people make that comment, if they could explain to  
9 me what cows eat. Because the last time I checked, they  
10 didn't buy items off the grocery store to feed cows and  
11 dairy is the number one of all the producing economies of  
12 the 300 commodities in the state. So I think it's  
13 important to underline and note those things.

14 More needs to be done in this valley for  
15 water efficiency. But we cannot solve this state's or  
16 this valley's water problems by reallocating the water  
17 supply that we have here to give to other regions of  
18 California. That will not allow us to solve the Valley's  
19 water needs. Plain and simple.

20 Now, let me conclude by telling you where  
21 we are, I think, currently on what I view as the second  
22 installment to solving California's long-term water  
23 needs, and that is the 1998 water resource bond and flood  
24 control measure.

25 I say the second installment because  
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1 Proposition 204, I note, was the first installment. As a  
2 down payment toward investing and financing into some of  
3 the solutions that CALFED is considering.

4 We're looking at a \$1 billion bond measure.  
5 It may be plus or minus a couple hundred million dollars.  
6 It's focus deals with restoration work in the Delta, its  
7 focus deals with flood control, its focus deals with  
8 non-source pollution and its focus may turn out to be in  
9 the next few weeks part of the solution to the transfer  
10 in Southern California between the Imperial Irrigation  
11 District of San Diego and metropolitan district. Excuse  
12 me here a second.

13 I sound awfully monotone, don't I. You will  
14 have to excuse me. We have some of our fresh resource,  
15 good tasting water. Fresno County water.

16 The bond measure two months ago, I would  
17 have not felt that way but -- I think its success today  
18 is largely dependent upon whether or not we are able to  
19 reach an agreement in Southern California in the next  
20 three or four weeks.

21 While there is very important funding in the  
22 bond measure for a lot of the work that CALFED is looking  
23 at, as well as for commitments toward the Delta  
24 restoration of the levee system and other areas that deal  
25 with riparian habitat and easements, the fact is that

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1 outside of myself, probably members here of BDAC who are  
2 knowledgeable about it, Mike Mashato (phonetic) and maybe  
3 the Governor's office, I can't find a lot of other people  
4 out there that care about this bond measure.

5 And that's the reality. There's no great --  
6 you know, group that's saying you got to have this bond  
7 measure. As a matter of fact, as I told some people  
8 recently, it's rather curious I find because the  
9 agricultural community, not as a group but kind of  
10 collectively sort of thinks that the environmental  
11 community really wants this water bond measure.

12 Some may even think they have leverage  
13 because they think the environmental community really  
14 wants this bond measure.

15 On the other hand, the environmental  
16 community doesn't care any more about this measure, as  
17 best as I can determine, as the agricultural community  
18 does. As a matter of fact, they think the ag community  
19 really wants this bond measure. And therefore, they  
20 think they have some leverage over the ag community  
21 because ag really wants this water bond measure.

22 It's a rather curious effort, as I am  
23 engaged in this negotiation with all the parties trying  
24 to work things out, when a number of the groups are  
25 trying to leverage one another for a measure that neither  
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1 together they will go with one, but that's speculative at  
2 this point in time.

3 Therefore, those are the timelines we're  
4 working under. I see five factors in play. The  
5 San Diego ID transfer. If that happens, I think we get  
6 incentive and momentum developed behind the water bond  
7 measure.

8 We are trying to pull out all the  
9 non-controversial items in the water bond measure. And  
10 the issues of storage and CALFED funding to be in the  
11 budget where the leadership in both houses and the  
12 Governor will have to negotiate as best they can.

13 I suspect that they will be able if the  
14 other items come together to reach an agreement on some  
15 funding for studies of additional storage as well as  
16 CALFED funding and some of the other issues that are of  
17 concern.

18 And leaves the other two factors at play.  
19 That transfer legislation that I have been working with  
20 Sunne McPeak on and business leaders in the north and in  
21 the south with Chairman Mashato. (phonetic.)

22 There is two parts to the transfer  
23 legislation. While some of this you could argue could go  
24 on its own, and that's certainly accurate, my guess is is  
25 that -- most of this won't happen unless it kind of  
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1 one really seems to care -- to want.

2 And that's why I am trying to indicate to  
3 you that if we're successful, it's going to be because I  
4 think we are able to reach an agreement in Southern  
5 California and as a part of that agreement, they are  
6 going to need 100 to maybe a 150 million dollars plus  
7 that could come out of the bond measure to line the  
8 All American Canal and maybe the Coachella Valley Canal,  
9 which could conserve over a hundred thousand acre feet of  
10 water. That would mean less water from the north that  
11 would have to go to the south, which would be a benefit  
12 for all of us.

13 If that comes together, I think all of a  
14 sudden a lot of people who are interested in making that  
15 agreement work will then say well, we want the money, we  
16 want a bond measure and let's get going. And that may  
17 end up being the catalyst for support.

18 Our deadlines are very clear. July 13th  
19 is the day that we have to reach an agreement and pass a  
20 bond measure to get it on the ballot for November. If we  
21 are unsuccessful, we could go with a supplemental ballot  
22 and that would take us to August 27th.

23 However, my Republican friends in the  
24 Assembly I don't think are willing to go with a  
25 supplemental ballot. Maybe if a school measure comes  
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1 happens as a package.

2 I hate to say that. I'm not leveraging  
3 anybody but I am just giving you my practical political  
4 opinion at this point in time.

5 And the fifth item in play is the  
6 negotiations between Secretary Babbitt and  
7 Governor Wilson. They met on Monday, we met with them  
8 afterwards. Secretary Babbitt then met with a group of  
9 environmentalists. He is going to be back in the first  
10 week in July and they are hopeful that they can make  
11 progress, as it relates to the mid course corrections  
12 that CALFED has to make in order to be successful and to  
13 keep all the stakeholders focussed at solving the  
14 problems at hand.

15 That's my report to you. It relates to the  
16 process, it relates to the value perspective and it  
17 relates to our efforts as successfully producing a bond  
18 measure in November, of which I am spending over half my  
19 time doing these days.

20 But I appreciate your involvement, I  
21 appreciate your support. It's critical. You here are  
22 among the leaders in the -- water community in  
23 California. And because we've had two good years, with  
24 the exceptions of the floods, people kind of think that,  
25 you know, things are just merrily rolling along. And you  
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1 and I know differently.

2 But the fact is, unless we can continue to  
3 keep the focus and the momentum going, we are not going  
4 to solve our needs into the 21st century. And I still  
5 believe, ladies and gentlemen, that CALFED and the BDAC  
6 effort in this process is possibly the last best hope of  
7 solving these issues.

8 This is the third time. The third time that  
9 I've attempted this effort. Back in 1984 with then  
10 Governor Deukmajian, following that I tried to pick up  
11 the pieces in 1986. That was unsuccessful, and this is  
12 my third time at it.

13 I'm running for reelection for one major  
14 reason. I would like to, before I leave office, knock on  
15 wood -- I get my contract renegotiated -- in the next  
16 four years, see the sort of progress necessary to solve  
17 this state's long-term water needs.

18 Thank you very much.

19 CHAIRMAN MADIGAN: Thank you, Senator. As  
20 always, we appreciate your sponsorship of the effort as  
21 well as the update on things like the bond issue.

22 Are there any questions of the Senator  
23 before he splits? Obviously you are welcome to stay for  
24 the remainder of the proceedings, if you want, but I know  
25 you've got a busy schedule.

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1 SENATOR COSTA: Well, thank you for taking me  
2 up in the order and I want to encourage, I really am --  
3 optimistic. I'm optimistic about this effort and this  
4 process. The intermural spats and the differences that  
5 have been arising in the last six months, I fully  
6 expected.

7 Now, I think we need to understand how we  
8 take those differences of opinion and focus them in a way  
9 that incorporates the thought process and gets us  
10 focussed on what we can accomplish. And I think that's  
11 where we have to be.

12 We have to bottom line it and really talk to  
13 people very clearly about what they mean when they talk  
14 about further conservation and when they talk about water  
15 reliability. And how we're going to balance these  
16 issues. And make people focus and not let them get away  
17 with the soundbites that so often have been -- reflective  
18 of the discussion and in debate in this issue.

19 CHAIRMAN MADIGAN: Thank you, sir.

20 Mary.

21 MS. SELKIRK: Thank you, Mike. And I want to  
22 thank our esteemed panelists for -- indulging us this  
23 afternoon.

24 We have two more panelists and also I know  
25 several BDAC members who have questions. We have three

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1 BDAC members who are -- cued up to make responses. But I  
2 know Alex had some comments, questions, and I am sure  
3 there are others.

4 Our final two panelists are Dave Todd who  
5 works with the City of Fresno Water Conservation Program  
6 followed by Mike McElhiney.

7 MR. TODD: I'd like to thank the members of the  
8 Council for giving me this opportunity to make the case  
9 for the least costly source of water supply.

10 For some time, the outlines of the future  
11 water supply crisis have been visible. A crisis created  
12 by rapid population growth, ground water overdraft,  
13 inadequate water supply in some areas, recurring periods  
14 of drought, and reduced supplies of pure water because of  
15 contaminants.

16 And a number of these conditions are chronic  
17 in parts of California. The normal weather in California  
18 is drought or floods. So we know that.

19 According to the California State Resources  
20 Secretary, regardless of the weather and even under the  
21 best of circumstances, the Valley and the rest of  
22 California are not likely to enjoy a surplus of water in  
23 the future.

24 The draft Department of Water Resources  
25 Bulletin 160-98 projects California shortages at a 1995  
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1 level of development, at 1.6 million acre feet and 5.2  
2 million acre feet in drought years.

3 The bulletin projects that the Valley will  
4 fall far behind in its water needs. 700,000 acre feet in  
5 an average year and 1.9 million acre feet in a drought  
6 year.

7 According to the Fresno Irrigation District,  
8 which delivers water to Fresno and Clovis, a local water  
9 supply problem exists with an annual ground water  
10 overdraft of about five percent.

11 Surface water supplies, of course, are  
12 subject to reductions during drought and the City of  
13 Fresno receives approximately 60,000 acre feet of water  
14 from the U.S. Bureau of Reclamation. Which is currently  
15 used for recharge and in the future will be used as --  
16 for surface water delivery.

17 According to the Department of Water  
18 Resources, this area has already developed all of the  
19 locally available water and the population of Fresno is  
20 projected to increase from an estimated 402,000 in 1994  
21 to 910,000 in the year 2020, which is a very substantial  
22 increase. No corresponding increase in the water supply  
23 is predicted.

24 The DWR bulletin also states that higher  
25 density developments that have become common in today's  
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1 new home construction market tend to have greater applied  
2 water requirements than many crops.

3 So what I'm saying is it's time to end the  
4 hydro-illogic cycle. We all know about that. Apathy,  
5 followed by drought, followed by panic, followed by  
6 preparation, followed by rainfall, and back to apathy.

7 So one of the ways to end that illogic cycle  
8 is through best management practices which I know CALFED  
9 is looking at and making that part of it. Those  
10 practices are already mandatory for cities like Fresno  
11 which are U.S. Bureau of Reclamation contractors under  
12 the Central Valley Project Improvement Act.

13 These measures will reduce the volume of  
14 drinking water that is wasted by flooding gutters and  
15 overwatering of landscapes and leaks from pipes, water  
16 fixtures, and other devices.

17 They also address increasingly efficient  
18 water -- use of water for such urban purposes as washing  
19 clothes, industrial processes, commercial and  
20 institutional applications, showers, toilets and  
21 landscapes.

22 They also require that water be metered and  
23 that conservation pricing be adopted for both water and  
24 for waste water and provide an incentive to customers to  
25 reduce average or peak use or both.

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1 The City of Fresno Charter prohibits the  
2 installation of water meters and/or billing at metered  
3 rate for single family residential customers.

4 Fresno is the major population and business  
5 center in the number one agricultural county in the  
6 nation. Agriculture built the city and it will continue  
7 to be an engine that drives its economy.

8 The diversified agriculture relies on the  
9 diversified water sources. Ground water, surface water  
10 from the Kings and San Joaquin River, and surface water  
11 imported from the Sacramento-San Joaquin Delta make up a  
12 major part of the region's supply.

13 Water and the infrastructures that carry it  
14 have taken a major role in creating the economy for this  
15 region. Fresno is 150 miles from the Delta but connected  
16 to it hydrologically through the productive west side  
17 that depends on the Delta water to produce the crops that  
18 make up the 25 percent of the County's 3.4 billion dollar  
19 ag production.

20 The large scale retirement of farmland has  
21 been discussed in the CALFED arena. Fresno has an  
22 unemployment rate of almost 14 percent and cannot afford  
23 to eliminate more jobs by taking farmland out of  
24 production.

25 Another area of discussion has been water  
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1 transfers. Care must be taken to insure that such  
2 transfers do not have an adverse impact on overdrafted  
3 ground water basins.

4 Conveyance and storage facilities are also  
5 key elements of the program and are needed to address  
6 current and long-term environmental water supply  
7 reliability problems.

8 Efficient water use and management are the  
9 key to insuring a reliable water supply through the  
10 CALFED process.

11 So in conclusion, CALFED and BDAC have an  
12 opportunity to end the hydro-illogic cycle and promote  
13 the most cost effective method of water supply.

14 Thank you.

15 CHAIRMAN MADIGAN: Thank you, sir, I appreciate  
16 your -- your remarks and your perspective from Fresno.

17 Mike McElhiney, NRCS water quality  
18 specialist. Thank you. Welcome. Nice to see you.

19 MR. McELHINEY: Thank you, very much. It's a  
20 great pleasure to be here and an honor too.

21 Being the last panelist of the day makes me  
22 either want to keep my comments short or talk fast and  
23 I'll try to do a little bit of both.

24 My background is in the National Cooperative  
25 Soil Survey Program where USDA Soil Conservation Service,  
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1 now the Natural Resources Conservation Service, mapped  
2 soils throughout the entire nation.

3 My career has been entirely in the Central  
4 Valley of California mapping soils from Bakersfield to  
5 Chico. And I can tell you that some of the best soils in  
6 the world exist right here in this Central Valley.

7 About seven years ago, I converted over to  
8 be a district conservationist in the Modesto office of --  
9 in Stanislaus County and it's only the sixth or seventh  
10 largest agricultural producing county in the state and  
11 perhaps the nation.

12 As many of you know, there's been many, many  
13 changes at USDA in the past few years and I can -- I  
14 think we can all expect more changes to come. Beginning  
15 July 1st, we will have a new state conservationist and  
16 I'm -- looking forward to additional changes down the  
17 road.

18 My primary function in Stanislaus County is  
19 to assist two resource conservation districts, the West  
20 Stanislaus Resource Conservation District and the East  
21 Stanislaus Resource Conservation District.

22 West Stanislaus has a long history of  
23 implementing best management practices through voluntary  
24 measures and attracting additional USDA funding. At the  
25 East Stanislaus RCD meeting today, they agreed to sign  
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1 four MOU's with other agencies and one cooperative  
2 agreement with the City and County of San Francisco out  
3 of the FIRC settlement agreement on the Don Pedro  
4 reauthorization.

5 NRCS really prides itself in being able to  
6 provide technical assistance using our field office  
7 technical guide and our standards and specifications.

8 RCD's access USDA and any other agency they  
9 choose to enter into agreement with, but they access USDA  
10 through memoranda of understandings with the Secretary of  
11 Agriculture and with our state conservationist.

12 Just say that RCD's are underutilized and  
13 can be of great help in assisting in getting conservation  
14 on the land.

15 This past seven years, I have been working  
16 on something called the USDA Water Quality Initiative or  
17 the West Stanislaus Hydrologic Unit Area Project. It was  
18 one of 72 demonstration projects nationwide that required  
19 a locally-driven process to reduce non-point source  
20 pollution as identified by a locally-led group of  
21 leaders, primarily resource conservation districts.

22 It is a voluntary program that involved all  
23 USDA agencies, including NRCS, the Farm Service Agency,  
24 University of California Cooperative Extension, resource  
25 conservation districts, and expanded into -- to include

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1 all of the irrigation districts and other local agencies  
2 to help implement this long-range plan.

3 We were considered by the General Accounting  
4 Office as a -- a prime example of how these types of  
5 projects should be implemented. And National Geographic  
6 Magazine two years ago highlighted the project and most  
7 recently the Natural Resources Defense Council published  
8 their agricultural solutions, Improving Water Quality in  
9 California Through Water Conservation and Pesticide  
10 Reduction, of which it highlights the West Stanislaus  
11 efforts.

12 We can only go so far. It requires that  
13 farmers also participate and overwhelmingly they've done  
14 that in the Western Stanislaus area.

15 For those of you who may receive the Estuary  
16 Newsletter, it should be coming out in the next week or  
17 so, there will be a highlight on that article and the  
18 work that has been done in our area.

19 In 1997, the water quality program expanded  
20 to the Eastern Stanislaus area and actually expanded into  
21 Merced County and San Joaquin County, through a new  
22 program USDA offers called the Environmental Quality  
23 Incentives Program. This replaced all previous cost  
24 share programs that USDA had and again required a  
25 locally-led process.

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1 This was done with local work groups that  
2 included the previous agencies mentioned and we really  
3 opened the doors to all potential stakeholders and  
4 attracted major USDA funding for this three-county area  
5 for on-farm improvements, or what we refer to as best  
6 management practices.

7 This present year we have approximately 230  
8 applications of which 60 of those are dairies. The local  
9 work group identified the critical resource concerns in  
10 their communities and -- those included water quality,  
11 water conservation, non-point source pollution, sediment  
12 reduction, pesticide residue reduction, and a fish  
13 riparian habitat restoration.

14 We're just going to -- ranking the  
15 applications that we presently received. And we received  
16 much more applications than we will have funding for, but  
17 all of those applications are considered high priority  
18 applications.

19 USDA really has a whole new tool box of  
20 programs that are being fairly well received and are part  
21 of the Central Valley. One of those is the wetlands  
22 reserve program, which provides for either 30-year or  
23 perpetual easements on flood plain soils that are  
24 currently being farmed. During the flooding, the  
25 disastrous flooding that occurred the last two years, we

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1 offered the flood plain easement program. Again we had  
2 many more applications than we have funding available.

3 Other programs include the Wildlife Habitat  
4 Incentives Program, a restoration program, the  
5 Conservation Reserve program, and we're exploring with  
6 the State the new Conservation Reserve Enhancement  
7 Program which provides for soil rental in areas of --  
8 sensitive areas adjacent to riparian areas.

9 I could go on and on about what we're doing  
10 and how your activities in CALFED might assist in that  
11 but I would just like to close by saying that it's really  
12 been my experience that voluntary implementation can work  
13 when we allow it to work and when we provide enough  
14 incentives for people to change what they are presently  
15 doing. We'd like to see efforts continue in a voluntary  
16 mode.

17 Thank you.

18 MS. SELKIRK: Thank you very much, Mike.

19 Thank you to all of our panelists. I know  
20 Dr. Sokolow had to leave, I believe he had a plane to  
21 catch. Although I know he wanted to stay to participate  
22 in the discussion.

23 We have three members of our council who are  
24 poised to respond to our panelists. Why don't we start  
25 with Annie Notthoff.

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1 COUNCILMEMBER NOTTHOFF: Okay. I think I was  
2 asked to respond to the afternoon's panel because of my  
3 involvement both as a staffmember of the Natural  
4 Resources Defense Council and also on some state advisory  
5 boards with land use decision-making issues.

6 And it was very interesting to hear the  
7 views of the afternoon panel, especially coming after  
8 what we heard this morning. I was kind of just looking  
9 at the different factors that inspire people to make  
10 decisions about what they do with their land and how they  
11 manage it. Particularly in the ag -- in the decision of  
12 whether or not to continue agriculture or whether or not  
13 to -- move on to something else.

14 I think that I wanted to thank Dr. Sokolow  
15 for his reminder this morning that the decentralized  
16 nature of land use regulations certainly, you know, make  
17 CALFED's job that much more complicated because we are  
18 looking at kind of the statewide structure whereas so  
19 many of the very -- the real day-to-day decisions about  
20 land use decision making happen at the County Board of  
21 Supervisors level. And I think there's really no  
22 substitute for strong general plans in zonings that set  
23 strong urban limit lines and those I think -- and I think  
24 also I wanted to reiterate what I heard Eric Vink say,  
25 that in fact it's the nature of development and compact

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1 fact it's, you know, a very important concept to keep in  
2 mind of the different mechanisms that we do have  
3 available for resolving some of these conflicts.

4 MS. SELKIRK: Thank you, Annie.

5 Byron, did you want to make some comments?  
6 I know Dr. Sablan just took -- just walked out with  
7 Dan Whitehurst but she will be back so --

8 COUNCILMEMBER BUCK: Thank you.

9 First of all, I want to thank the panel for  
10 coming. You covered a lot of diverse issues, lot of  
11 ground there. I won't certainly try to touch on every  
12 one of those. The issues certainly are serious, they are  
13 provocative in many cases. I think fundamentally what we  
14 as BDAC and CALFED have to remember is we've got a set of  
15 objectives and they are somewhat limited and we are not  
16 covering all the issues that are laid out there.

17 However, what you discussed today was  
18 certainly important context for the decisions that are  
19 going to have to be made.

20 I would like to touch on a couple of points  
21 that are brought up and particularly the issue of ag land  
22 preservation and how it comes down to reality here in  
23 this part of the state.

24 The big picture is growth is coming. These  
25 people are coming, mostly being born, it's immigration as

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1 development that -- as opposed to sprawl development that  
2 really holds the most promise for arresting the type of  
3 urban sprawl that has been plaguing some of our  
4 agricultural areas.

5 That said, I do -- I thought it was  
6 encouraging to hear Senator Costa's support for the  
7 current phased approach that CALFED is now engaged in and  
8 I think I wanted to highlight one of the messages that  
9 certainly came through loud and clear to me today from  
10 both the morning and the afternoon panel, and that is the  
11 importance of maintaining flexibility and diversity in  
12 the range of tools that we bring -- that we apply to the  
13 complex decisions that are before us.

14 And I think in that spirit, I would  
15 certainly hope that we take away from today's session  
16 with kind of -- an appreciation of the adaptability and  
17 innovation that the agricultural sector can bring to bear  
18 on some of these difficult water use decisions, but not  
19 to rule out -- you know, not to rule out some of those  
20 opportunities and those issues.

21 And I think -- you know, I think you've  
22 heard a couple of times today the kinds of -- the last  
23 speaker, and I promise I didn't ask him to mention the  
24 NRDC report -- I think he used the term "the tool box"  
25 and I think that, you know, we hear about that but in

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1 well. It's not a choice of if it's coming or not. It's  
2 coming. It's how we deal with it, is the issue that  
3 we're going to have to grapple with.

4 And from a personal perspective and as a  
5 member of the American Farmland Trust, I don't think we  
6 ought to be developing on Class 1 ag lands. We ought to  
7 figure out a way to push the growth sensibly to the low  
8 productivity lands, the non-arable lands, and there's  
9 plenty of land to do it there and save the Class 1 ag  
10 land. Because that is something we're not making any  
11 more of in this world. It's something that's a statewide  
12 resource, something that's really a national resource or  
13 international resource when we look at the global  
14 population pressures that we're going to be facing.

15 The problem with that whole notion, though,  
16 is that it sort of disconnects from reality. Where the  
17 water is tends to be where the good ag land is. That all  
18 developed first based upon where the where was and growth  
19 tends to move out centrally from cities.

20 So it will take some major policy change on  
21 a variety of levels to be able to do that in a way that's  
22 sensible, combined with compact land use and better  
23 planning, I think we can do a lot to preserve Class 1 ag  
24 lands.

25 What wasn't touched on, except maybe very  
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1 briefly, though, was the long-term ground water overdraft  
2 in the valley, over a million acre feet. That's a  
3 long-term sustainability problem. It gets worse when  
4 you're talking about doubling the population in the  
5 valley in the next 20 years. That's got to be grappled  
6 with.

7 It's really not part of CALFED's objectives  
8 to solve that problem. Perhaps in the context of  
9 lessening conflicts in the system, there is some  
10 improvement that can be made. But that fundamentally is  
11 going to be an issue that has to be dealt with  
12 subregionally.

13 There are some models for doing that. This  
14 is the same problem that Southern California went through  
15 in the 30's and 40's. Their ground water basins were  
16 overdrafted. They ultimately ended up with very nasty  
17 fights and court battles which resulted in adjudication.

18 Now those basins are essentially managed as  
19 reservoirs. And I would encourage you to get ahead of  
20 that curve rather than let it come down to an  
21 adjudication battle, when the prospects of bringing in  
22 new water, which helped solve that problem, are less  
23 available today.

24 It's going to take a lot of political will  
25 to do that and it's going to take a lot of money to do  
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1 that. But there's a tremendous resource in this valley  
2 in terms of the ground water basin, in terms of the  
3 storage it provides, and storage is really gold in this  
4 state. To manage that resource and bring water in in the  
5 wet years and have it available in the dry ones.

6 Mr. Whitehurst left. I did want to commend  
7 him and his efforts on the Great Valley Center. They did  
8 put on an excellent conference in Sacramento. I was able  
9 to attend part of that, I believe it was the week before  
10 last.

11 The whole notion of bringing a sense of  
12 place to the valley, I think, is something lacking that  
13 we -- when you think of California, we think of L.A.  
14 region, Hollywood, so forth, San Diego, Bay Area. They  
15 all had identities. The valley doesn't seem to have one,  
16 or at least one that's positive and I think that group is  
17 positively trying to create that, which is a good thing.

18 Some of the issues that Mr. Carter brought  
19 up, I think, are all certainly very provocative. What  
20 happened to the San Joaquin is certainly a tragedy but  
21 back in '59 when the State Board made that decision, they  
22 thought they were limited in terms of allocating water to  
23 beneficial uses. And beneficial uses at that time did  
24 not constitute public trust uses. So we need to look at  
25 that decision in the context of time and decide today now  
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1 what does that mean. Where do we go from here.  
2 Certainly -- that's not part of CALFED's  
3 charter to fix that but perhaps there are some  
4 improvements that can be made.

5 Other issues such as the price of water used  
6 out there, set by Congress, federal law, again not really  
7 within our charter.

8 In sum, I think we need to make sure that  
9 the -- you know, in our search for the perfect -- or some  
10 views of the perfect, we can't have it be the enemy of  
11 the good. And what we have to do in a consensus process  
12 is find the good.

13 So in sum again, we can't -- a lot of  
14 serious problems out there, we can't necessarily resolve  
15 all of them in this arena, and we've got to be careful of  
16 overloading the wagon.

17 CHAIRMAN MADIGAN: Thank you.

18 MS. SELKIRK: Marcia hasn't returned so --

19 CHAIRMAN MADIGAN: Start with questions then.

20 Byron, thank you very much for those  
21 remarks. Ann, thank you for those remarks.

22 Sunne, you have the first question.

23 VICE CHAIRWOMAN McPEAK: Marcia's out going to  
24 the bathroom too and I apologize for having to be part of  
25 this -- for the presentation but I appreciate it very  
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1 much and I wanted to -- wanted to begin by just maybe  
2 commenting on something you said, Byron.

3 As a -- as a valley girl, as I like to say,  
4 a real valley girl, I always thought it had a real  
5 positive image. And so I resent the notion that it  
6 doesn't have a positive image.

7 I like the valley. In fact, I am nostalgic  
8 when I smell manure and alfalfa early in the morning.  
9 You know, it brings back everything I grew up with.

10 CHAIRMAN MADIGAN: Really.

11 VICE CHAIRWOMAN McPEAK: Yeah. I told you I  
12 was so perverse I vacationed in Bakersfield, and I like  
13 the smell of manure and alfalfa -- so there you've got  
14 it.

15 COUNCILMEMBER BUCK: In defense, I live in the  
16 valley and I like it too.

17 VICE CHAIRWOMAN McPEAK: You like it too. Okay.  
18 Okay, Bryon. And the Great Valley Center and the Growth  
19 Alternatives Alliance, I've read with a lot of interest.  
20 Actually, had it given to me by -- first the Irvine  
21 Foundation, who found it interesting.

22 And basically what I wanted to say back to  
23 you and the panel is that the growth pressures that have  
24 occurred in the San Joaquin and Central Valley -- or  
25 Sacramento and the Central Valley together, to a certain  
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1 extent is also because the regions that are heavily  
2 urbanized such as the Bay Area have not done an  
3 appropriate job of managing the growth patterns properly.  
4 It's stupid to grow shopping centers and housing on our  
5 best lands.

6 And so the same list you have here,  
7 Mr. Vink, in terms of the strategies, we're attempting to  
8 try to reach agreement on within the Bay Area to  
9 accommodate all the housing within that region to match  
10 the jobs that are being generated there. That would be a  
11 great help.

12 We think that there is a need to have the  
13 balance of urbanized areas and have our farmlands  
14 protected and preserved. And if we're going to protect  
15 our farmlands, i.e., not urbanize them, it would be nice  
16 to cultivate them. So that suggests a certain kind of  
17 policy and strategy in terms of how much water remains in  
18 the urban sector.

19 So I simply wanted to say I think the valley  
20 has a great image, I love it. And I also want to make a  
21 pledge back to you as someone from an urban area  
22 representing an urban organization, that we need to  
23 manage our growth too and we want to borrow from your  
24 leadership to try to do a similar effort so that there  
25 aren't the same kinds of pressures on the valley and on  
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1 county general plans to include a separate element  
2 addressing agricultural resources. And even with  
3 widespread agricultural and conservation support for  
4 those measures, we've been shot down in the legislative  
5 process. Largely due to opposition from some of the same  
6 interests that we've been able to reach accord with in  
7 the Fresno report. Home builders, the business  
8 community.

9 COUNCILMEMBER BURTS: And local government.  
10 MR. VINK: And local government to some extent.

11 So it's tough sledding out there, is what  
12 I'll tell you. But we're encouraged by the effort in  
13 Fresno County. We have never worked with the building  
14 industry association on anything. We've hurled a lot of  
15 brick baths at each other and we've taken swipes at each  
16 other but we have never worked with them.

17 And although many have remarked that the  
18 recommendations in that report are modest, and I think  
19 some of them are modest. I think there's some real  
20 impressive ones in there as well. The fact that we have  
21 been able to -- all come to the table and reach agreement  
22 on that and have been able to put our name on something  
23 jointly and present it in public without holding our  
24 noses, I think has been quite a step forward. We would  
25 love to see that collaboration continue at the state  
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1 the agricultural land.

2 CHAIRMAN MADIGAN: Bob. And then Howard.  
3 COUNCILMEMBER RAAB: I have been hearing a lot  
4 about how urban development is encroaching on prime ag  
5 land. And I was looking at the strategies here of  
6 American Farmland Trust about directing growth away from  
7 prime ag lands. And it's full of suggestions.

8 Has anybody ever -- is this an unspoken  
9 thing that we don't talk about in CALFED? Talking about  
10 passing a law, a state law that says you can't turn prime  
11 ag land into homes and shopping centers?

12 Is that -- I guess I'm talking to you,  
13 Mr. Vink. Is that something just -- not something we can  
14 think about?

15 MR. VINK: Hasn't been proposed recently.  
16 Probably back in the late '70's is when there was last a  
17 proposal of that magnitude.

18 COUNCILMEMBER RAAB: Leo McCarthy, I think.

19 MR. VINK: Actually Assemblyman Charles Warren  
20 had a bill in at that time in the late '70's that would  
21 have largely accomplished what you have mentioned.

22 There's been nothing to that magnitude  
23 since. We've tried to pass very modest changes in the  
24 State's planning and zoning laws that would do -- that  
25 would do things as incredibly modest as just requiring  
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1 level. But I can't tell you that we're there yet.

2 MR. SOKOLOW: Can I take a whack at that?  
3 MR. VINK: Sure.

4 MR. SOKOLOW: Yeah, the legislature can do  
5 that. The legislature can say, in effect, when it comes  
6 to prime land, however defined, everything -- all local  
7 control is superseded by this state mandate. You cannot  
8 convert prime land.

9 But the legislature, as Eric pointed out, is  
10 not going to do it. And the reason is because we're  
11 dealing with conflicting values in this political system  
12 and in this society. The value of protecting that  
13 resource versus the value of local control and private  
14 property rights. So this is the arena. Comes down to  
15 that.

16 MR. CARTER: Let me add one point to that too.  
17 Remember the guy who sells the land is the farmer. So  
18 you can't tell -- the farmer will fight anything that  
19 blocks them from having the option of selling out. They  
20 will block any kind of legislation like that.  
21 Agricultural interests themselves will oppose that.

22 MR. VINK: Well, as a postscript to that, I  
23 mean clearly agriculture has been on many minds in this  
24 issue. There are many individual circumstances that  
25 contribute to that.  
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1 This report that I alluded to in my comments  
2 at the Agricultural Task Force for the Central Valley, is  
3 the first time that a group of squarely mainstream  
4 prominent agriculturists, including representatives of  
5 the State's major ag organizations, have come up with a  
6 positive set of recommendations on addressing this issue  
7 as opposed to reacting to a proposal put together by a  
8 conservation organization or by urban interests.

9 So I would agree with Lloyd on that point  
10 but the score is rapidly changing in that department as  
11 well. It's a very positive development.

12 VICE CHAIRWOMAN McPEAK: Bob, I wanted to  
13 provide an update. Actually, Contra Costa County in 1991  
14 went to a prominent state senator and asked such  
15 legislation to be carried. And it actually would be sort  
16 of a time-out on the conversion, that is rezoning or  
17 redesignation in general plans for lands that were both  
18 prime, Class 1-2 soils and productive -- I guess they are  
19 called significant soils, et cetera. For the reasons  
20 that have been cited here, there was not consensus and a  
21 lot of differences of opinion within the agricultural  
22 community to do so.

23 However, the real issue comes not only in  
24 protecting lands that are sensitive and productive  
25 agriculturally, what you had is a breakthrough here is

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1 which is where California land use decision making is  
2 still at.

3 CHAIRMAN MADIGAN: Could I have Howard, then  
4 Alex, and then Hap.  
5 Howard.

6 COUNCILMEMBER FRICK: Farmland preservation, if  
7 you push the development from prime -- excuse me -- prime  
8 farmland onto non-productive land or non-irrigated land,  
9 doesn't that just exacerbate the water shortage?

10 MR. CARTER: Would you rephrase that question?  
11 If you push the development -- if you --

12 COUNCILMEMBER FRICK: Take the development off  
13 prime land that's irrigated, put it onto non-irrigated  
14 lands, foothills or non-productive land, you just  
15 increase the demand for water and exacerbate the shortage  
16 we have already.

17 CHAIRMAN MADIGAN: I guess the notion would be  
18 that if you are not just replacing one kind of use on a  
19 piece of land with another kind of use where you are  
20 using about the same amount of water, aren't you making  
21 the -- the overall demand for water greater.

22 MR. CARTER: This is why somebody has to say  
23 the Emperor has no clothes here. We got one gallon of  
24 water and we got more and more people coming at it.

25 And so you're absolutely right.  
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1 working with the building industry. Because why there is  
2 urbanization of agricultural lands is that housing is not  
3 being accommodated where it should be, for all of the  
4 difficult reasons politically.

5 So the trade-off with building industry is  
6 to get some relief so that housing can be constructed and  
7 is not always shut down and pushed to the farther edges.  
8 And it's that kind of trade that is really essential,  
9 even though as you might have heard, Mark Rizner actually  
10 said he thought I was crazy when I first proposed it to  
11 him. And he addressed this a year ago in Sacramento. He  
12 referenced this effort where we were trying to get  
13 something going.

14 Now maybe the time is a little bit riper and  
15 with what you have done here, the breakthrough with BIA,  
16 within Fresno, we hope to try to do something with the  
17 home builders, a similar kind of arrangement, and get law  
18 changed. It is a need -- a change in state law that will  
19 -- absolutely needed.

20 COUNCILMEMBER NOTTHOFF: Just to add to that is  
21 that -- I think EZE actually said, is that -- Bob, you  
22 know, there have been a number of successes at the local  
23 level. The City of San Jose did something like that  
24 recently and -- there has been a lot of urban growth  
25 boundaries and agricultural preserves at the local level,

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1 CHAIRMAN MADIGAN: Doctor?

2 MR. SOKOLOW: I'm not an M.D. but --

3 CHAIRMAN MADIGAN: It will do.

4 MR. SOKOLOW: Don't scream, "Is there a doctor  
5 in the house?"

6 I'm not sure that it's quite a wash. The  
7 numbers I've seen earlier today suggest that farming is  
8 becoming much more efficient in its use of water, while  
9 urban uses are not meeting that same efficiency trend.  
10 I've not seen some good numbers on that but there are a  
11 few that are tossed up here.

12 I think the issue there is perhaps more one  
13 of conveyance of location of water supply, since it's --  
14 ground water is down here in the valley, we don't have  
15 the ground water supplies in the foothills and the --  
16 grazing lands, the range lands, but much of the water we  
17 get here is conveyed from hundreds and hundreds of miles  
18 so can't we think in terms of the same concept if there  
19 are certain other trade-offs here.

20 It's an interesting, intriguing question.  
21 It just hasn't been addressed by the State of California,  
22 which is the only entity that has the capacity and the  
23 regional scope to take a look at these regional  
24 trade-offs. Where should growth grow. What are the  
25 consequences for the availability and the cost of water.

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1 What about other resources.

2 I personally think that new towns are a  
3 splendid idea, if you can do it efficiently and get all  
4 the -- take care of all the necessary environmental  
5 consequences. They just haven't been given a fair shake  
6 because the state has not really looked at this option or  
7 any other growth management option.

8 CHAIRMAN MADIGAN: Alex.

9 COUNCILMEMBER HILDEBRAND: My question also  
10 has to do with this disconnect between land use and water  
11 use. As we've talked a lot about preserving the ag land,  
12 we haven't said anything about preserving the water  
13 that's appurtenant to that land in order to keep it in  
14 agriculture.

15 As was mentioned this morning, there's a  
16 very large proportion of our agricultural land that's in  
17 the Williamson Act, we have open space easements and we  
18 have county zoning for agriculture. But there's nothing  
19 that says that the water appurtenant to those lands can't  
20 be sold for some other purpose, even though the land  
21 can't be sold.

22 And I'd like to know what the panelists  
23 think about -- and whether something should be done about  
24 that disconnect and if so, what.

25 MR. CARTER: Well, I'll certainly take a shot.  
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1 Obviously, Alex, you got to carve it up into  
2 whether you are talking about riparian lands or whether  
3 you're talking about bureau contract water folks, or  
4 whether you're talking about pre-1914 appropriators.

5 So you get into water rights, but  
6 ordinarily, the water goes with the land. So to sever  
7 what the -- the whole thing about water marketing that is  
8 scary is you can sever water from the land now and sell.  
9 My argument is water is the new cash crop. And you have  
10 lots of situations now where the water, retail value of  
11 the water to sell it to Southern California, you can make  
12 more money selling the water than you can raising the  
13 crop and you don't have to get your hands dirty. And you  
14 have none of the risks.

15 COUNCILMEMBER HILDEBRAND: I am in the  
16 Williamson Act, along with many, many other people. But  
17 I have riparian rights. But other people are in the  
18 Williamson Act but they don't have riparian rights.  
19 Should they be allowed to sell their water, frustrate the  
20 purpose for which they are getting a reduction in  
21 property tax?

22 MR. CARTER: Well, under CVPIA and the  
23 comparable state law, can't they do that now?

24 COUNCILMEMBER HILDEBRAND: They can, that is  
25 what I am saying. Is that right, and if it isn't right,  
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1 what should we do about it.

2 MR. VINK: I can only address -- Al Sokolow  
3 mentioned increasing use of conservation easements as a  
4 mechanism to permanently restrict and prohibit any future  
5 development on agriculture land. And with the use of  
6 conservation easements, you can clearly write those  
7 restrictions into the easement that the water shall not  
8 be separated from the land.

9 And we advocate that. We have included that  
10 in the most recent generation of conservation easements  
11 and I think that as we -- develop more funding sources  
12 through the state and through feds for these kinds of  
13 programs, you will see those requirements included with  
14 it. Because obviously, you protect the land for  
15 continued farming. If you sell the water off down the  
16 road, you are not left with the same resource.

17 COUNCILMEMBER HILDEBRAND: How about the  
18 situation where you are in the Williamson Act but your  
19 water right doesn't belong to you, it's a contractual  
20 right; and nevertheless the continued use of your land  
21 for agriculture is dependent on the continuing  
22 availability of that contractual right. Then where are  
23 you?

24 MR. CARTER: Well, I mean I agree with you,  
25 Alex. We all know in the CVPIA, in '92 it was  
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1 Metropolitan Water District that wanted to push through  
2 water transfers for federal water which for 90 years had  
3 to be used to farm the land and now these guys get to  
4 sell it to L.A. That is all the panic that's in the  
5 San Joaquin Valley now, because there are lots of farmers  
6 that will sell out.

7 COUNCILMEMBER HILDEBRAND: My question is what  
8 do we do about that?

9 MR. SOKOLOW: Well the Williamson Act is a very  
10 limited constraint. It came in in the '60's. It was  
11 seen as the answer to the problem then -- it clearly is  
12 not the single answer to the problem.

13 The value of those property tax savings that  
14 you as a Williamson Act landowner have has steadily  
15 declined over the years. I think it's an intriguing idea  
16 and others have talked about linking the Williamson Act  
17 with other kinds of guarantees for the farmland owner,  
18 including protection from Endangered Species requirements  
19 and some water assurance and it's innovative thinking and  
20 we have got to begin to look at how we link these  
21 different incentives and tools together.

22 And I think you're on the right course there  
23 but I don't know politically how to do it at this point.

24 COUNCILMEMBER HILDEBRAND: I just want you to  
25 give us the answer, that's all.

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1 MR. SOKOLOW: Well, you gave the answer  
 2 yourself, that is the way to go.  
 3 VICE CHAIRWOMAN McPEAK: I like this debate.  
 4 Mr. Dunning.  
 5 COUNCILMEMBER DUNNING: I have a question for  
 6 Lloyd. You mentioned your work on Kesterson back in the  
 7 '80's and the wildlife mortalities that occurred at  
 8 Kesterson and you said also I think today that we have a  
 9 lot of little Kestersons. And I think you indicated that  
 10 the cumulative wildlife impact now is even greater than  
 11 what we had in the '80's with the actual Kesterson.  
 12 My question is why is it that there was such  
 13 a brouhaha and crisis in the '80's over Kesterson and  
 14 something was done to shut down those areas, those 12  
 15 ponds, and now nothing seems to be happening and there is  
 16 no attention paid; it is not a visible issue and yet we  
 17 have the water life damage? Can you explain that?  
 18 MR. CARTER: I would probably go back to Dave's  
 19 hydro-illogic cycle where you had apathy over drainage  
 20 for about 30 years, then you had some very dramatic --  
 21 I'll take some of the applause there. I was a wire  
 22 service reporter in the summer of 1984, we did a story,  
 23 to refresh people's memories here, in 1983 in the spring,  
 24 they discovered all these deformed birds at the 1200  
 25 acres of ponds at Kesterson which is up by Los Banos, two  
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1 miles from the San Joaquin River. That was a terminus  
 2 from the drainage water that was coming from the west  
 3 side of this county, Westlands Water District.  
 4 It also happened to be in the heart of the  
 5 wintering grounds for the ducks and geese of the Pacific  
 6 Flyway.  
 7 Even more ironically or satanically, this  
 8 toxic water was sold as a water source for these marshes  
 9 and in fact, it created Rachel Carson Silent Spring in a  
 10 matter of two years. And I was out there at the time and  
 11 there was birds everywhere. It was bizarre, dead birds  
 12 floating and there was a lot of media attention. It was  
 13 a scary thing. 60 Minutes came in and it was like a  
 14 lightning rod, a catalyst for the drainage crisis.  
 15 And then with -- whether it was  
 16 Machiavellian brilliance or not, I don't know. But  
 17 Interior Secretary Donald Hodell shut it down. Big furor  
 18 and they launched -- I have been to a lot of meetings on  
 19 water in the last 15 years from '75 to '90. They had the  
 20 San Joaquin Valley drainage program, which I'm sure some  
 21 of you are familiar with.  
 22 We spent 50 million bucks studying the  
 23 drainage problem. The solution, of course, there was  
 24 always the cheapest, most efficient, best way was to  
 25 retire toxic soils. That report got deep-sixed.  
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1 It came out in 1990, you have -- a lot of  
 2 interest on the west side above and beyond the  
 3 agricultural interests. You have the lenders who have a  
 4 gravy train of guaranteed farm loans that they can lend  
 5 money and they get their payoff whether or not the farmer  
 6 does well. You have a lot of vested interest, a lot of  
 7 banks and insurance companies that own and control land  
 8 on the west side that they carry on their books at  
 9 inflated values.  
 10 The land on the west side without water  
 11 is desert. You know, a lot of guys out there that are  
 12 oldtimers now bought land for 50, a hundred bucks an  
 13 acre. You bring water to it, it is worth \$3,000.  
 14 So we have now spent -- this is one of my  
 15 arguments -- in the wake of Kesterson, we have spent  
 16 close to \$200 million studying the drainage problem. Not  
 17 just in the valley in California but some of that money  
 18 is west wide.  
 19 But to seek a solution to desertification,  
 20 salinization, safe disposal of agricultural drainage  
 21 water and we have -- wasted that \$200 million, in my  
 22 view. If we had spent that money buying out the badlands  
 23 on the west side at -- paying top dollar, we would have  
 24 freed up a huge amount of water in California. We  
 25 wouldn't have had to have this meeting today because we  
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1 would have had enough water for 10 million more people in  
 2 California and those farmers could have went somewhere  
 3 else and farmed with -- be getting paid 3,000 bucks an  
 4 acre to buy them out.  
 5 One of the things that I remain concerned  
 6 about is ambiguity when people use terminology like  
 7 "prime farm land." San Joaquin Valley is east side/west  
 8 side. Day and night. The east side soil, the parent  
 9 material is the Sierra. The west side soil, the parent  
 10 material is the ancient seabed soils of the coast range.  
 11 They are full of heavy metals and trace elements.  
 12 It's a sodium sulfate based soil.  
 13 Completely different than the east side. And there is a  
 14 continual blurring of the distinction between -- you know  
 15 what prime farmlands means. It means you bought it for a  
 16 hundred bucks, you got the government to bring water and  
 17 it is worth 3,000.  
 18 Because now what we do is intensively  
 19 fertilize our soils. If you follow the UC Farm Advisory  
 20 reports, like I do religiously, everywhere in the valley  
 21 they have nutritional deficiency problems.  
 22 Maybe Mike can help me out a little bit on  
 23 this. We have all kinds of problems with our soils in  
 24 this valley. We double and triple crop. We work the  
 25 earth to death.  
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1 And so we have declining productivity in a  
2 lot of areas. Where's the good farmland in the valley?  
3 Where has it been all through human history? Riparian  
4 lands, flood plains. That's the great land all through  
5 human history.

6 There was an extraordinary article in  
7 National Geographic a couple years ago about what  
8 happened in Egypt, for five thousand years, they had had  
9 had incredible agriculture. They built a dam on the Nile  
10 River and it has been a mess ever since.

11 You know why, because floods aren't bad,  
12 they are good. Floods revive the riparian flood plains.  
13 There is lots of good things about floods. The bad thing  
14 is humans like to build right up to the edge of a river  
15 and then they throw up their hands when nature makes a  
16 big flood and washes them out.

17 What do we do? We go right back to the edge  
18 of the river. So there is so much illogic in the way  
19 that this valley developed and you're talking about good  
20 lands, bad lands. If you want to build big cities, build  
21 them on the west side. That's the land that should be  
22 taken out of production first.

23 They finally -- there was grudging  
24 recognition that we needed to idle the badlands on the  
25 west side and the first report was 1916. Don't farm over

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1 there.

2 But when you can buy land for 50 bucks and  
3 get the government to bring you water -- I had a guy  
4 explain to me about what the west side is hydroponics.  
5 All the inputs are from above. All that alkaline soil  
6 out there does is hold the plant in place, you put all  
7 the nutrients in from above and grow things.

8 The prime farmland on the west side would  
9 have been around Mendota, which has now been salted up  
10 because they brought hands out -- they are farming all  
11 the way out above I-5, which is nuts.

12 So what happened at Kesterson, they shut it  
13 down, the public lost interest, the media lost interest.  
14 I left the news business, which was a huge mistake  
15 because for a long time, I was the only one writing about  
16 what was going on at Kesterson and drainage.

17 And I had a note here we ran out of time.  
18 My remarks about the newsmedia's coverage of water issues  
19 in California is abysmal. The news people are absolutely  
20 ignorant of what is going on. They don't have a clue.

21 I see these Dan Walters columns in the  
22 Sacramento Bee, he is clueless. Bless his heart but on  
23 water issues, he doesn't have the slightest idea what is  
24 going on. The L.A. Times is even worse, absolutely.  
25 Another example.

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1 But anyway to come back to Hap's question,  
2 there are -- it was -- in the wake of Kesterson, which  
3 was only 1200 acres, there are 7,000 acres of drainage  
4 ponds on the west side which are either run by private  
5 farm operators or run by irrigation districts.

6 The Tulare Lake Drainage District, of which  
7 Steve Hall used to be the manager, has 3,000 acres of  
8 ponds. There are birds out there dying left and right at  
9 mutation rates far higher than ever occurred at  
10 Kesterson.

11 The Regional Water Board -- is there anyone  
12 here from -- was a joke. They have done nothing to stop  
13 the killing. It's a violation of the Migratory Bird  
14 Treaty Act of federal protection, a tough birds law which  
15 Justice Department invoked in 1985 to shut Kesterson  
16 down. Big agribusiness went to work and that's the last  
17 time that law has been invoked.

18 These guys out on the west side are  
19 violating federal law daily with absolute impunity. The  
20 feds refuse to use their discretion to file charges.

21 So I mean, you know, we all stick our heads  
22 in the sand. The killing continues to go on. I have  
23 written about it periodically. Tom Harris, who was with  
24 the Sacramento Bee, some of you remember very well that  
25 did great work on selenium, he retired.

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1 I left the news business. There is nobody  
2 in California, to my knowledge, in the media; TV, print,  
3 et cetera, that is even writing about anything to do with  
4 drainage, water issues, selenium, bird mutations -- and  
5 by the way, you know, it's U.S. Department of Interior  
6 policy throughout the American west to run agricultural  
7 drainage into national wildlife refuges around the  
8 American west, which are all being poisoned.

9 This is the unwritten policy of the  
10 Department of Interior on how to handle ag drainage. So  
11 I mean I could go on so I'll cut it off but -- nothing  
12 has been done is the answer. Which is why I'm telling  
13 you if people have not learned the lesson of Kesterson  
14 and what it really means, you're going to miss the boat  
15 on solving California's drainage problems. Because all  
16 the water that gets delivered to the west side of this  
17 valley, let's say the really good lands on the west  
18 side -- and don't get me wrong, there is plenty of  
19 productive land on the west side.

20 I'll tell you what. If we don't do  
21 anything, it's going to salt up and it's going out of  
22 production now. There's a lot of land being salted up  
23 now. You drive through the west side, you will see it.  
24 You will see snow over the fields.

25 So they are going to trash it anyway. Why  
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1 don't we take some active steps to -- land retirement  
 2 program that the bureau has, if we proceed at the present  
 3 pace will take about 150 years.

4 VICE CHAIRWOMAN McPEAK: Thank you. I  
 5 apologize for the limited time we have got. Stu Pyle.  
 6 And then --

7 COUNCILMEMBER PYLE: I just wanted to make a  
 8 comment on Mr. Carter's remarks.

9 When I was General Manager of the Kern  
 10 County Water Agency, people used to send me his articles  
 11 and I would read them and I would get really steamed up  
 12 and write a letter to the editor and I don't know if I  
 13 ever got published in the Fresno Bee but -- at this  
 14 point, however, I would say that I think Mr. Carter is  
 15 serving a needed purpose in our whole California water  
 16 scheme, that there is not a lot of people paying  
 17 attention to these items and he brought some pretty  
 18 serious ones up to us.

19 The one that I have, the one that Alex  
 20 refers to all the time, is the continual import of salt  
 21 into San Joaquin Valley through the water diverted from  
 22 the Delta, that's got to be dealt with over these -- over  
 23 the years.

24 We know that with the number of people  
 25 coming to California, that there is the alfalfa and it's  
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1 not going to disappear from the menu in the San Joaquin  
 2 Valley. But somebody needs to keep the state boards  
 3 focussed on the need to protect our ground water. And I  
 4 think it's people like Mr. Carter that are going to help  
 5 bring that about.

6 So anyway, your efforts do serve a good  
 7 purpose in our society.

8 MR. CARTER: Thank you.

9 VICE CHAIRWOMAN McPEAK: Mr. Burts.

10 COUNCILMEMBER BURTS: Sunne, thank you. I  
 11 found this panel to be very interesting and very  
 12 informative. And Sunne, I agree with you about the image  
 13 of Fresno, having grown up here, graduated from Edison  
 14 High, and graduated from Fresno State University. So I  
 15 have a fondness for what I see and what I smell  
 16 sometimes.

17 I especially want to compliment the  
 18 American Farmland Trust because this is something that is  
 19 a lesson, I think, for many of us; not just in this  
 20 region but for those of us who live in the greater  
 21 Los Angeles and Southern California region. This  
 22 collaboration will be absolutely necessary.

23 My question really is probably today, I  
 24 just wanted to know whether or not -- in the Fresno  
 25 area, has there been a -- a development or project  
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1 either turned down or threatened because of water  
 2 availability or do you see the city getting close to  
 3 that?

4 MR. TODD: I don't think there has been any  
 5 that I am aware of that have been turned down. I think  
 6 back about 10 years ago, when the city shut down 20  
 7 percent of its well production because of various  
 8 contaminants in the ground water, there was a period  
 9 there where things were slowed down considerably because  
 10 of that.

11 But in the long-term, I don't see that  
 12 emerging -- let's rephrase that. In the next five to 10  
 13 years with the -- projected population growth, that could  
 14 change. It could change pretty substantially. In the  
 15 absence of measures that we know how to take right now  
 16 that -- currently exist using available technology and  
 17 most of all, public awareness and education.

18 COUNCILMEMBER BURTS: Thank you.

19 VICE CHAIRWOMAN McPEAK: Thank you. Are there  
 20 any other comments or questions to the panel?

21 Then thank you all very much for being here.

22 Did Mr. McFarland -- did he just leave? Is  
 23 he not in the room?

24 Okay, because he had asked -- he actually  
 25 raised his hand and I was going to ask him if he wanted  
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1 to make one final comment.

2 Well, let me ask this. Are there any  
 3 further cards from the public for public comment? Let me  
 4 ask that. We have taken essentially all the cards that  
 5 we had earlier.

6 Okay. Was there another comment?

7 MR. CARTER: I want to make a 30-second comment  
 8 for the record on Byron's comments about the San Joaquin  
 9 River decision by the Water Board in 1959.

10 He is incorrect about the only beneficiaries  
 11 permissible were agriculture. The word in that decision  
 12 which I recommend all of you to read, stated specifically  
 13 that the destruction of the fishery, particularly the  
 14 salmon fishery but also the other types of fishery in the  
 15 river, was reserved for a later date, that the board  
 16 ruled at that time it was not in the public interest to  
 17 keep the fishery alive.

18 The backdrop for this whole thing was that  
 19 the Department of Fish and Game had planned to file a  
 20 lawsuit over 5937 which NRDC now has a suit before  
 21 Judge Carlton in Sacramento over that very issue.

22 So the fact was even 40 years ago, we knew  
 23 full well that there were public trust interests in the  
 24 fishery of that river and the board, which was  
 25 overwhelmingly pro-agriculture, decided to extinguish  
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1 those interests.

2 But that was not permanent. They  
3 specifically reserved the fact that we could restore the  
4 fishery. So that issue is alive and well.

5 VICE CHAIRWOMAN McPEAK: Thank you.  
6 Mr. McFarland, you had actually raised your hand to make  
7 a comment. Do you have anything you want to say at this  
8 point?

9 MR. McFARLAND: Well, it's just a comment to  
10 the question over here about why -- why are the -- birds  
11 mortality on the west side not -- not in the press.

12 Well, it's a matter of having a spotlight on  
13 it and I will draw a contrast to the Salton Sea. It  
14 seems like right now, every time a bird dies at the  
15 Salton Sea, it gets state coverage and not national and  
16 it's because the spotlight is on it and it's got a  
17 champion behind it. And that is what we need here in the  
18 valley.

19 VICE CHAIRWOMAN McPEAK: Thank you. Yes,  
20 Patrick Wright.

21 COUNCILMEMBER WRIGHT: I have just a quick  
22 final note maybe to try to end this on a little bit more  
23 of a positive note.

24 One of the things that I have been  
25 struggling with is this -- as a federal representative  
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1 working with our state colleagues here in CALFED, is also  
2 a central dilemma that I think Mr. Sokolow started out  
3 with which was water policies largely centralized either  
4 through the state government or the federal government,  
5 whereas land use is decentralized.

6 So certainly while all of us up here have  
7 been acutely made aware of the potential impacts on  
8 farmland preservation, at the CALFED program we have  
9 lacked the tool kit at the state and federal levels to  
10 try to deal with that, since it is such a legislatively  
11 driven process.

12 So what I have been asking, particularly in  
13 light of -- are there things that the state and federal  
14 governments can do to give the local processes that Eric  
15 and others have mentioned, give them a boost to try to  
16 deal with some of these issues.

17 And I happened to notice as I was flipping  
18 through Mr. Sokolow's policy brief here, one of his  
19 recommendations is much more funding for California's new  
20 agricultural land stewardship program, which is a  
21 statewide effort to increase the level of easement money  
22 and other policy tools to help keep farmland in  
23 production.

24 Then I reached into my file and I pulled out  
25 my cheat-sheet on water bond and it turns out that there  
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1 is a line item for the agricultural land stewardship  
2 program, and I don't know if that happened by accident  
3 but it is certainly something that I think that we should  
4 highlight, we should try to get more of your involvement  
5 in -- if it's necessary in beefing up that program,  
6 making it more visible; whether or not there are some  
7 other similar programs out there that could use more  
8 state and federal funding so that the CALFED agencies, if  
9 not the CALFED program itself, can try to collectively  
10 take advantage of the fact that we have got the  
11 leadership of incredibly broad federal and state agencies  
12 at the table to try to deal with these issues at the  
13 state and federal level, even if not under the CALFED  
14 mandate but under our relationship with the legislature  
15 and our own regulatory mandate.

16 So I am hopeful that you and others can work  
17 with us as agencies even apart from the CALFED program to  
18 try to do what we can at the state and federal level on  
19 the ag land preservation program.

20 VICE CHAIRWOMAN McPEAK: Thank you.

21 I do want to thank the panel again and I  
22 want to thank Mary Selkirk for putting together this  
23 panel, the panel this morning. It was this important --

24 MS. SELKIRK: And Laura.

25 VICE CHAIRWOMAN McPEAK: And Laura King for  
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1 helping put that panel together, and the whole program  
2 here and all of the agencies, organizations, who have  
3 come together to help educate us in our visit to  
4 San Joaquin Valley and to Fresno.

5 So I thank you. Are there any further  
6 comments from BDAC members? Seeing no further -- Mary  
7 Selkirk.

8 MS. SELKIRK: One final reminder, we are on  
9 this -- this intense travel around the state, our next  
10 meeting, one month from now -- go ahead.

11 VICE CHAIRWOMAN McPEAK: Next meeting is the  
12 16th of July in San Jose. So make sure you have that on  
13 your calendar.

14 And thank you very much. We are hereby  
15 adjourned.

16 (4:52 P.M.)

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I, Dave Stewart, a Certified Shorthand Reporter in the State of California, do hereby certify:

That said proceedings were taken down by me in shorthand and thereafter transcribed into typewriting or printing under my direction and supervision; and I hereby certify that the foregoing is a full, true and correct transcript of my notes so taken.

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IN WITNESS WHEREOF, I have hereunto subscribed my name and CSR number on this \_\_\_\_\_ day of \_\_\_\_\_ 1998.

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Dave Stewart, CSR #4543

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