

July 15, 1998

AUG 03 1998

Lester Snow
CalFed
1416 Ninth Street, Suite 1155
Sacramento, CA 95814

Dear Lester,

We are writing regarding the Bay Delta Advisory Council Water Transfer Work Group and our recommendation that an entity (the Clearinghouse) be formed to provide representation for third parties in water transfer discussions. All of us are Work Group members, and we attend Work Group meetings to voice concerns about the impact of water transfers on the long-term sustainability of agricultural communities as well as to represent the insights of certain water-source regions.

Most Work Group participants have agreed that an analysis by the Clearinghouse of potential socioeconomic impacts of water transfers should be required. Some concede this analysis reluctantly, as a necessary evil that will in the long run speed the transfer process as it calms the fears of water supplying regions. On the other hand, we view the Clearinghouse as only the most minimal precaution against harm to our constituencies. We have trusted that a neutral process will be developed and that the appraisal of proposed water transfers done by the Clearinghouse will be honest. The last meeting of our Work Group cast serious doubts on this apparently naive view.

At the last Work Group meeting, CalFed staff listed three questions that should be answered prior to transfer approval: First, is the transferred water "real" water? Second, does the transfer injure water users not party to the deal? (For example, groundwater users.) And third, are there negative socioeconomic impacts from the transfer? (This last question hints at a sort of CEQA for the economy, but without any regulatory power.)

We suggest an additional inclusion of an analysis of potential cumulative effects of multiple water transfers over a period of time. While one short-term transfer by itself may be inconsequential, multiple ones may not. In Yuba County, the water district predicts positive cumulative impacts. This may not be the case elsewhere.

While the Work Group has repeatedly agreed on the Clearinghouse concept, its advocates have had to rise to its defense at each of our meetings. At the July 8 meeting, we heard a new chorus of filibustering: The analysis should

not be required and should only be done if the transferor or the transferee request it. The analysis should be done after the transfer takes place, not before. The analysis should not be done at all because it will slow things down. The analysis should not be done because the Clearinghouse has no regulatory authority, so it will be a waste of time and no one will pay attention.

The filibustering is coming from participants who refer to themselves as "the water guys," and who have said that unless you have been in the "water business" for as long as they have, you probably don't understand enough yet. These objections to the Clearinghouse show that many people still do not understand that there is a community interest in water, and this interest must be represented. Our constituency has only been active on the water transfer issue for a short decade. These few years have strengthened our resolve to have a seat at the table.

As we understand it, the Work Group came up with the following pragmatic compromise at our last meeting: CalFed agencies, before they approve a CalFed water transfer, will be required to ascertain that the analyses of third party impacts have been done.

On the face of it, this compromise is acceptable. It requires that the analysis is done, rather than entrusting the work to a theoretical Clearinghouse entity that doesn't yet exist. However, the Work Group needs to move forward to agree upon a methodology and minimal assurances that the analysis will be satisfactory. In addition, given the level of concern about even the most minimal of community protections, it would seem wise for the water source counties to keep other precautionary tools at the ready.

Sincerely,



Judith Redmond

Executive Director, Community Alliance with Family Farmers



Charles Willard

Tehama County Supervisor, District 3



Linda Cole

President, Valley Water Protection Association