



M e m o r a n d u m

Date: March 10, 1999

To: BDAC Members

From: Lester A. Snow
Executive Director

Subject: Economic Evaluation of Water Management Alternatives

To aid in developing a water management strategy, CALFED has undertaken an Economic Evaluation of Water Management Alternatives. The attached status report describes work completed to date and products expected over the next several months. The primary purposes of this effort are twofold: 1) to define how policy assumptions and preferences could affect the selection of water management tools that define the water management strategy and 2) to help evaluate the potential environmental, economic, and social benefits and impacts of alternative water management strategies.

To help define the assumptions to be tested in developing a water management strategy, CALFED has conducted an outreach effort to define the policy assumptions and preferences of various stakeholder groups. Considered in light of hydrologic and economic principles, these varying assumption sets will likely result in selection of varying combinations of water management tools. An initial evaluation of the benefits and impacts of these alternative water management strategies will be completed over the next several months. As this information becomes available, the Policy Group and BDAC will be briefed and asked to deliberate on the merits of the alternative policy assumptions and preferences and to advise CALFED staff on the appropriate set of assumptions for developing CALFED's water management strategy.

CALFED Agencies

California The Resources Agency
Department of Fish and Game
Department of Water Resources
California Environmental Protection Agency
State Water Resources Control Board

Federal Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
U.S. Army Corps of Engineers

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