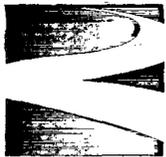


Updates



M e m o r a n d u m

Date: March 11, 1999
To: BDAC Members
From: Lester A. Snow
Executive Director

Subject: Update on the Water Transfer Program Activities

This memo is intended to inform you about on-going activities by CALFED to continue to refine and describe the Water Transfer Program. Three areas are discussed: work plan activities, legislative interaction, and stakeholder participation.

Water Transfer Work Plan

Attached to this memo is a figure describing several work efforts that are necessary to further develop and define the Water Transfer Program. These were derived from many, but not all, of the recommendations included in the *Revised Phase II Report*. CALFED believes that focusing at this time on further refinement of these specific aspects is most important to the immediate acceptance of the Program in the eyes of the CALFED agencies and stakeholder community. Additional development on the remaining recommendations, while important to the overall success of the Program, is deferred until later this year or in Stage 1, as described in the *Report*.

The work efforts on the figure show how several activities are dependent on one-another, while others are not. Critical work efforts, the focus of the next several months, are highlighted by dotted boxes.

Legislative Interaction

Like last year, we are anticipating that several legislators will propose bills that directly or indirectly affect a statewide water market. We know that Assemblyman Machado and Senator Costa are both reintroducing bills similar to ones they sponsored last year. In addition, Senator Peace is sponsoring a bill addressing rates charged by public agencies for wheeling water transfers through their facilities.

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

At this time, CALFED is monitoring these legislative activities and has not taken a proactive role. We have provided representatives of both Machado and Costa with more specific Water Transfer Clearinghouse recommendations contained in the Water Transfer Program Plan. CALFED intends to work more actively with the Governor's administration and the Legislature, as necessary, in the coming months to provide CALFED's insights and recommendations.

Stakeholder Involvement

As discussed at the last BDAC meeting, the BDAC Water Transfer Work Group has been retired. This does not mean that stakeholder involvement in the development/implementation of a CALFED Water Transfer Program has ended. CALFED is still committed to continuing stakeholder involvement. However, between now and the release of a draft Programmatic EIR/EIS later this summer, CALFED is concentrating its efforts on working within the CALFED agencies, namely with the Department of Water Resources (DWR), U.S. Bureau of Reclamation (USBR), and the State Water Resources Control Board (SWRCB). Since these agencies have existing authorities over the approval and review of many water transfers in the State, resolution of issues that primarily effect them need to be initially developed internally. This is especially true for efforts to streamline the water transfer approval process, and clarify guidelines used to define what water is transferrable under what conditions.

As shown in the attached figure that describes current work activities, much of the current effort is focused on working with DWR, USBR, and the SWRCB to clarify and articulate their current regulatory processes and underlying policy assumptions. This will in turn help CALFED focus in on where stakeholder/agency issues really lie while at the same time helping improve communication between transfer proponents and agencies with review/approval authority.

Once the agencies have clarified their processes, CALFED will again facilitate stakeholder interaction to resolve outstanding issues. CALFED anticipates this to occur in late spring to early summer, depending on the particular issue. Forums for stakeholder input will vary from small meetings with key stakeholders to a larger, workshop-oriented gathering, again, dependent on the particular issues.

CALFED is interested in your thoughts. Please direct your comments and questions to Greg Young, CALFED Water Transfer Program Manager, at 916/653-8400.