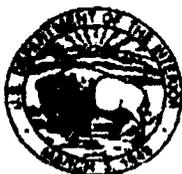


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**GOVERNOR DAVIS, INTERIOR SECRETARY BABBITT
CALL FOR ACTION ON KEY WATER ISSUES**

SACRAMENTO – Governor Gray Davis and Secretary of the Interior Bruce Babbitt met today to discuss two key elements of California's water future: the Colorado River Agreement and the CALFED Bay-Delta Program. Davis and Babbitt pledged their personal commitment to move forward on these issues.

Colorado River Agreement

Governor Davis and Secretary Babbitt reiterated their strong support for the framework agreed to in the Colorado River negotiations, reached last week among major southern California water districts. Davis and Babbitt directed negotiators for the state and federal agencies to resolve the remaining issues in order to finalize a detailed accord facilitating transfers of conserved Colorado River water.

"The Colorado River Agreement is critical to California's overall water strategy. This agreement is a vital step toward enabling California to provide a solid foundation for the CALFED program," said Governor Davis. Davis' Director of State Water Resources, Tom Hannigan, is leading negotiations on behalf of California.

"Negotiators must develop a working arrangement for water transfers to make the most efficient, versatile uses of Colorado River water," said Secretary Babbitt, whose Deputy Secretary, David Hayes, is assisting in the negotiations process. "In their ongoing discussions to develop detailed agreement language, they are building on a framework agreement reached earlier this month."

CALFED Bay-Delta Program

Governor Davis and Secretary Babbitt pledged to accelerate progress on the CALFED Bay-Delta Program, and move forward on key elements. Davis and Babbitt directed CALFED agencies to work with stakeholders to achieve a series of milestones to assure completion of the CALFED Final Plan by next spring.

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"CALFED offers the best hope in decades to move beyond California's historic water wars and resolve issues through collaboration," continued Davis. "But success will require a new, unprecedented level of effort by participants and stakeholders. The legacy of a lasting water peace is worth the hard work it takes to get there."

"CALFED is critically important to the Clinton Administration and all Californians," said Babbitt. "I am committed to doing whatever it takes to meet CALFED's schedule to develop long-term solutions to Delta water and ecosystem challenges."

The governor and secretary stressed the importance of CALFED developing innovative approaches to meet the challenges of restoring the health of the estuary while providing more reliable supplies of clean water for cities, farms, and fish. These include:

- An Environmental Water Account (EWA), which will provide more flexible water project operations to restore fisheries and meet competing demands for water from the Delta.
- An Integrated Storage Investigation (ISI), which will evaluate the role of surface and groundwater storage in providing more reliable supplies.

They directed CALFED and agency staff to develop a framework for the EWA and the ISI by the end of the year.

The Secretary and Governor also discussed progress on key elements of the CALFED program including ecosystem restoration, water use efficiency, water marketing and transfers, drinking water quality, watershed and floodplain management, and South Delta water management improvements.

They also discussed the importance of a coordinated approach to managing flows for fisheries under the federal Central Valley Project Improvement Act (CVPIA). Interior will continue to consult with state agencies in crafting the final decision on implementing the CVPIA "(b)(2)" provision calling for the dedication of 800,000 acre feet of water for fishery purposes. They agreed that regardless of the outcome of ongoing litigation, state and federal agencies will work through CALFED to assure that the impacts of Interior's decision are considered in developing CALFED's final plan.

Finally, they agreed that a continued strong commitment to state and federal funding is vital to the success of the CALFED Program. They agreed that the federal Bay-Delta Environmental Enhancement and Water Security Act of 1996 should be reauthorized, and that sufficient federal and state funds must be made available for all CALFED Program elements to assure balanced implementation. The governor added that he will urge the state Legislature to enact a water bond measure to provide continued state funding for the Program.

The CALFED Bay-Delta Program is a cooperative effort among state and federal agencies, stakeholders, and the public. The CALFED Bay-Delta Program's mission is to develop a long-term comprehensive plan that will restore ecological health and improve water management in the Bay-Delta system. The Program issued a draft plan in June, and public hearings on the plan are being held throughout the State in August and September. The final CALFED plan is scheduled to be completed in the Spring of 2000.

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