

Summary of Meeting
BDAC Water Transfers Work Group
April 14, 1998
Ninth Meeting

Key Points

- The water transfer clearinghouse is envisioned as an information and research entity with no water rights or regulatory authorities. Its primary functions will be to gather and analyze data and disclose findings, as well as ensure full public participation in the water transfer decision making processes. Expertise housed within the clearinghouse may be available (perhaps on a contract basis) to provide assistance to local interests, including advice and recommendations based on the data collected and analyzed.
- Local control over water transfer decisions must be maintained. A clearinghouse cannot replace local authority.
- There is general consensus among the participants that the water transfer clearinghouse could be housed within the State Water Resources Control Board. Funding may be provided through a combination of appropriations and fees imposed on each transfer.
- Participants provided CALFED staff with several comments on the draft outline of the Water Transfer Policy Framework paper. In general, the participants accepted the approach disclosed in the outline. A work-in-progress draft of the framework paper will be discussed at the next Work Group meeting.

Discussion Overview

- Some concern was expressed over the wording of item A (11) under the water transfer clearinghouse functions in the Water Transfer Clearinghouse Discussion Paper. The group discussed at length the issue of a clearinghouse entity developing 'guidelines' or 'recommendations'. It was noted that the clearinghouse should not provide specific recommendations, but could include a 'bullet list' of items to note when decision makers are considering a transfer proposal. Some meeting participants voiced concern that when an entity provides guidelines, the guidelines ultimately become rules. It was recommended that CALFED strive to find the fine line between providing guidelines and preserving local control on transfer decisions. CALFED staff will revise item A (11) to reflect the discussion.
- The group generally agreed with the concept of a clearinghouse entity housed within the State Water Resources Control Board, as proposed in the clearinghouse paper included in the meeting packet. Some concern was expressed regarding how the SWRCB would use the findings of the clearinghouse during a hearing, if they were housed under the same state entity. Jerry Johns of the SWRCB responded that the SWRCB would view the clearinghouse information as one piece of independent evidence, similar to how the SWRCB currently uses staff from within the agency to testify at hearings. It was the view of the SWRCB that this concern could be adequately handled using existing methods already used by the SWRCB.
- A suggestion was made that the environmental entity being envisioned by the Assurances

Work Group could be expanded to provide funding for the clearinghouse and possibly to oversee clearinghouse functions (i.e., ensure that they occur as necessary). This would mean that the assurance entity would need to expand its pool of expertise to include people who understood water transfers.

- The group generally believed that funding of a clearinghouse would initially need to come through CALFED agencies. The issue of long-term funding has many more complications. Suggestions for long-term funding ranged from having the clearinghouse solely funded by transfers to having it solely funded by state/federal appropriations. The group generally liked the idea of a 'cost-of-service' fee imposed on each transfer. This fee would vary with the complexity of the analysis for each transfers. Baseline funding for the clearinghouse using public money would be coupled with this idea. A cautionary note was offered to ensure that any fees imposed on a transfer not be so great that they burden a transfer and result in less transfers. Part of the CALFED Program objective with this element is to facilitate transfers and, in some instances, provide incentives for improved water use efficiency. A burdensome fee could work counter to this objective.
- Several issues were raised during the discussion of environmental water transfers. These included: 1) should a 'reasonableness' test be applied to water transfers for environmental purposes as applies to consumptive use transfers, b) what are the appropriate environmental indicators to use for impact analysis, c) how will water that is transferred to instream flow purposes be tracked. This last issue was discussed in some detail during a previous Work Group meeting. CALFED staff will attempt to provide more detail to these issues and provide solution options that can be discussed by this group during future meetings.
- A request was made to understand the anticipated schedule for developing the water transfer element. CALFED staff promised to provide this information at the next meeting.
- Several comments were provided on the draft outline for the Water Transfer Policy Framework white paper. A suggestion was made to reference the potential adverse impacts that could occur from transfers (currently, the opening paragraphs imply that transfers are all beneficial). In addition, it was requested that the opening paragraphs include reference to the existence of 'third parties' -- those not directly party to a transfer transaction but potentially affected by the transfer. The opening section should also reflect the benefit transfers can play in offsetting the need for other water supply options and providing an incentive for more efficient water use.
- In Section II of the outline, it was suggested to reword the reference about CALFED not being in the business of water transfers. It was noted that purchases of water for instream use by CALFED agencies does constitute participation. CALFED staff will work to include these and other comments offered during the meeting.
- Several work group participants again expressed their desire for CALFED to provide rough approximations of the amount of water CALFED views as being transferred under a Bay-Delta solution.

The next meeting of the BDAC Water Transfer Work Group is scheduled for:

Wednesday, May 27, 1998 from 9:30 a.m. to 3:00 p.m. (Room 1412, Resources Building)
Lunch is not provided. Discussion will focus on a working draft of the Water Transfer Policy Framework white paper.