

12 October 1999

Honorable Bruce Babbitt
Secretary
U.S. Department of the Interior
1849 C Street, NW
Washington, DC 20240

Re: California Water Resource and Environmental Management

Dear Mr. Secretary:

We truly appreciate your continued personal and very constructive engagement in the CalFed process. Without your policy direction, progress even to this point would likely not have been possible. However, we are increasingly distressed that the balanced and comprehensive management approach you have successfully advocated is, upon implementation, all too often translated into a destructive and single-minded agenda that is crippling the ability of the Central Valley Project (CVP) to serve its customers.

There can be no doubt that CVP agricultural and urban customers are committed to environmental improvement in the Central Valley. There is much doubt, however, whether the Department of the Interior is committed to serving its ratepaying customers. For instance, according to the Bureau of Reclamation, CVP contractors in the Delta export service areas should expect a 50% shortage of supply under "normal" hydrologic conditions during the 2000 water year – even when reservoir storage is 140% of normal and the State has experienced a five year series of "wet" years. You may recall last year when additional demands by the U.S. Fish and Wildlife Service nearly interrupted service to the Silicon Valley and Southern California. Under the sort of management and priority setting evidenced by the forecast, last year's summer "emergency" would become "normal" and not only agricultural customers would be devastated, but cities and industries as well.

As we understand it, this forecast assumes a 1997 methodology for implementation of the CVP Improvement Act "(b)(2)" water (the "800,000 AF"). However, the forecasted impacts of "(b)(2)" implementation highly underestimate the adverse water supply and Project operation consequences of the Department's "(b)(2)" policy and program that was released on October 5, 1999. The forecast also does not evaluate any increase in Trinity River flows above the current 340,000 reservoir release schedule, despite your imminent decision on the Trinity River Flow Evaluation and EIS. Given these technical omissions, and adding in the sort of Delta smelt "emergency" that occurred last summer despite optimized environmental conditions, it is painfully evident that a 50% shortage in a "normal" year is a conservative estimate indeed.

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The Honorable Bruce Babbitt

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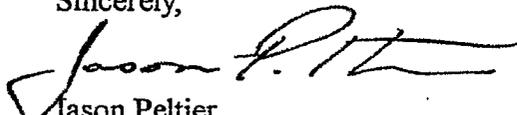
Moreover, this forecast, the almost nonexistent flexibility in Project operations due to environmental demands, and the policies evident in the draft CVPIA PEIS, undeniably confirm the Department's emphasis on environmental benefits at the expense of human needs and concerns. At a time when hundreds of millions of dollars and millions of acre feet of water resources are being dedicated to environmental benefit purposes, this policy and program direction is unconscionable to us. It should, at the very least, cause you alarm. Where is the "balanced management"? Where is there evidence that the Department is exercising "flexibility" with regard to environmental decision making?

Notably, Interior officials are relying upon these very discriminatory policy objectives and misguided analyses in proposing draconian changes in existing CVP water service contracts.

Mr. Secretary, in the CalFed process, you and Governor Davis have asked for our constructive participation in an aggressive effort to develop a Water Supply Reliability Program and an Environmental Water Account. We have engaged in this effort intended to create a balanced water management program for the next seven years (CalFed Stage I implementation). However, as we have worked to identify opportunities for improved water management for all purposes, the Fish and Wildlife Service representatives have refused to engage in any discussion of agency policy or decisionmaking flexibility relative to increased Trinity River flows, implementation of the CVPIA "(b)(2)" provision, water quality management actions, or ESA-based restrictions on Project operations.

Absent creative and flexible management of all Project demands and operations, a balanced program is not just elusive, it is impossible. Absent your leadership and oversight of your agencies' staff to ensure that your policy objectives are carried out, we fear that CalFed progress and resolution of the serious water resource issues facing California is equally illusory. Finally, in a matter much closer to home, absent your direct attention, I can only believe that the relationship between the Department of the Interior and its CVP customers will continue to deteriorate into a one of mistrust and disappointment.

Sincerely,


Jason Peltier
Manager

cc: Governor Davis
Secretary Nichols
Sen. Feinstein
Sen. Boxer
Rep. Condit
Rep. Dooley
Rep. Doolittle
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