RESPONSES TO GOVERNOR DAVIS' NOV. 6 LETTER REGARDING THE CVPIA

CVP contractors have mischaracterized the water supply impacts of the CVPIA. Governor Davis' letter states that Interior's plan for the implementation of the CVPIA would result in water supply reductions of up to 55% to "a major segment of California's agricultural economy". The letter overlooks several important points.

- Interior's year 2000 CVPIA Delta fish protection actions would result in only a 5% additional reduction in CVP deliveries to agricultural water service contractors in a dry year. Under the Bay-Delta Accord and <u>without the additional actions required by the CVPIA</u>, Interior projects that, if 2000 is a dry year, deliveries to agricultural contractors would be 55% of contracted supplies.
- Interior's B2 announcement would similarly result in only a 5% reduction in CVP deliveries to urban areas, if 2000 is a dry year.
- Reductions in CVP deliveries were fully understood and supported by CVP contractors when they signed the Bay-Delta Accord.
- Interior announced reductions in projected CVP deliveries only, not total water supplies. Water users south of the Delta have demonstrated that they can take advantage of several additional sources of water (see discussion below). Reductions in CVP deliveries do <u>not</u> translate directly into reductions in total water supplies for CVP contractors.

Full implementation of the CVPIA is a crucial step towards balance in the operations of the CVP. The CVPIA was strongly supported by an unprecedented bipartisan coalition of environmentalists, fishermen, waterfowl interests, labor unions, Bay Area ports, the mayors of most of the State's largest cities, urban water districts, Native Americans and the business community. It was passed because it represents a balanced package of policy changes that will, when fully implemented, strengthen the state's environment and economy. President Bush signed the CVPIA over seven years ago. It is time that this law be implemented.

In significant part, the CVPIA was intended to establish a pro-active fisheries and environmental restoration program before the state and federal Endangered Species Acts impose far greater restrictions on the State Water Project and the CVP. The water dedicated to fisheries restoration by Section 3406(b)(2) is the cornerstone of that restoration program. In significant part because of delays in CVPIA implementation, species such as spring run Chinook salmon and Sacramento splittail are now listed under the state and federal ESA's. Without implementation of the CVPIA, we will continue to see fisheries declines and the listing of additional species. Such a trend would be to the disadvantage of all water users, including State Water Project contractors.

Most agricultural water supplies have not changed in the past decade. Opponents of the CVPIA portray a world in which water required for environmental restoration is draining away the lifeblood of agriculture. In fact, the vast majority of the state's farmers continue to enjoy plentiful and cheap water supplies. Given the highly inefficient use of water in much of the Central Valley, many of these water users have shown that they can conserve and sell water to farmers who are willing to purchase additional water.

CVP contractors have many options to meet their water needs. CVP agricultural contractors have many sources of water supply, including transfers, conservation, drainage reduction, land fallowing, groundwater and more. For example, since the CVPIA was signed, the Department of Interior has approved more than 1.5 million acre feet in water transfers within the Central Valley. These transfers are in addition to thousands of transfers that take place among agricultural water users within water districts. The solution to the water supply reliability concerns of CVP contractors lies not in obstructing federal law, but in improving water management and access to water transfers. The environmental community has devoted significant resources to analyzing water supply reliability issues and has produced a "Blueprint for an Environmentally and Economically Sustainable CALFED Water Supply Reliability Program". CALFED is exploring some of these tools in the Water Management Development Team.

CVP contractors appear to want it both ways -- having sued Interior to achieve certainty, they are now attacking Interior for a lack of flexibility. In November of 1997, water users sued Interior regarding its previous CVPIA decision. They criticized Interior for failing to provide certainty through the adoption of a B2 accounting system. Under orders from a federal district court judge in Fresno, Interior adopted an accounting system. These same water users are now attacking Interior for not being flexible in implementing the CVPIA. The environmental community believes that Interior's final decision actually is more "flexible" than the law allows. Interior's B2 accounting system includes substantial concessions to CVP contractors.

The CVPIA and the Bay-Delta Accord do not require taxpayer subsidized "make up" water supplies. CVP contractors insist that taxpayers must purchase "make up" water for CVPIA actions. However, the CVPIA has no requirement that the government purchase additional subsidized supplies. In fact, the CVPIA was intended to begin weaning growers away from reliance on taxpayer subsidies. Further, CVP contractors themselves agreed voluntarily to reduce deliveries when they signed the Bay-Delta Accord. The Accord did not promise, nor at the time did water users demand, taxpayer subsidized additional water supplies.

The State Water Project can reduce the burden on CVP water supplies. Given the state's concerns regarding impacts to CVP water contractors, the Department of Water Resources and the State Water Resources Control Board should require the State Water Project to shoulder half of the burden of implementing the standards established pursuant to the Bay-Delta Accord. At the moment, CVP supplies are both meeting SWP obligations under the Bay-Delta Accord and being exported to SWP contractors. Contrary to the "equal sharing" agreement at the time of the Bay-Delta Accord, the CVP is providing an average of 65-75% of the water required to implement these standards. The SWP and all water users in the Central Valley should contribute equitably to implementing the Accord. In addition, the SWP could further aid CVP water supplies by accounting honestly for the pumping of B2 water in the Delta. The state should not condemn CVPIA implementation on the one hand and on the other hand refuse to account honestly for windfalls when the SWP pumps B2 water in the Delta. At the moment, it appears that, far from being harmed by B2 implementation, SWP water contractors will actually receive a water supply windfall from the CVPIA.

CALFED cannot succeed if the CVPIA is not implemented. CALFED has long acknowledged that the CVPIA is the foundation upon which CALFED must build a long-term water supply reliability and ecosystem restoration program. If the state attacks its federal CALFED partners regarding the implementation of federal law, we question whether state and federal agencies will be able to develop a viable CALFED plan. The failure of CALFED would damage water users and the environment alike.

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League of Women Voters of California
California League of Conservation Voters
Environmental Defense Fund
Sierra Club
Save The Bay
The Bay Institute of San Francisco
Clean Water Action
California Trout
California Sportfishing Protection Alliance
Golden Gate Audubon Society
Friends of the River
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