

Hampton told directors it is crucial for the final agreement to be signed by today. He said he will go to Sacramento this morning to wait for the final version with language changes, hand-deliver it to Silva and Oliveira for their signatures, and take it back for delivery to the U.S. Army Corps of Engineers.

"They are at a point where they cannot wait any longer to start the project," Hampton said. "Otherwise, it would have to wait until next year."

Once signed, it is expected construction will start in mid-October and take 45 days to complete. The project will be completed mostly with federal funds, with the local district obtaining loan for the \$130,000 local share of the project.

COMMITTEE REPORT STINGS CALFED

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CalFed policies could double water demand

By Michael Gardner - E-R Sacramento Bureau

SACRAMENTO - CalFed policies that threaten to disrupt the farm economy could double water demand rather than conserve supplies, a state Senate report says. from an unabashed critic paints a picture of a "CalFed" water policy team that uncontrollably, and is ignoring figures estimating some of its environmental policies .

In the stinging report, State Sen. Maurice Johannessen, R-Redding, also charges the state-federal project that is developing long range solutions to water supply and quality problems spends millions of dollars without adequate oversight.

As chairman of the Senate Select Committee on CalFed, Johannessen and two consultants have put together the 100- page critique, an interim report.

The committee held four public hearings covering numerous topics with testimony from dozens of expert witnesses before preparing its interim report.

It takes its most pointed shot at CalFed in the farmland conversion section.

CalFed, says the report, will actually double water demand by converting 164,000 acres of farmland to environmental uses, such as wetlands, riparian habitat and perennial grassland.

It notes the direct connection between water and crop production and the fact bankers base loans on the availability and cost of irrigation.

"CalFed's various alternative solutions have the potential to devastate the agricultural industry," according to the report.

Separate studies indicate idling land could cost 9,000 jobs and the economy of the Delta region as much as \$184 million a year.

Using a multiplier for the rollover effect of dollars in the community, the loss in the Sacramento Valley could be as much as \$588 million, the report claims.

The loss of farmland off tax rolls could "permanently cripple" special districts, particularly those providing flood protection, the report also noted.

"Clearly many farmers operate in a fragile financial condition. If the value of their property or their access to water is disrupted due to supply or cost ... many would simply become bankrupt, which, in turn, would have a devastating effect on local economies."

The impact of land sales under the program, even by "willing sellers," is not fully addressed in terms of losses to the local economy, says the document, nor is the possible effects on water supply since some water runoff from fields and orchards is reused downstream or recharges the groundwater basin.

Other findings include:

✂ Capital cost estimates range from \$4 billion to \$14.8 billion, depending on the extent of the final project. Just as importantly, the annual costs will range from \$133 million to \$945 million.

✂ The El Niño spawned rains and snow in the first six months of 1998 provided enough unused runoff to fill Shasta Dam in 99 days, or Oroville in 77 days. Water, Johannessen said, that should be captured and stored.

✂ Not enough attention is being paid to suggestions to study storage south of Sacramento that could eliminate the need for major conveyance systems.

✂ CalFed's water transfer policies are still lacking in assurances that sales will not harm areas of origin and possibly erode legal water rights.

✂ CalFed is lacking in assuring that credit goes to farmers already paying extra water fees for fishery protection so they don't get assessed more costs, which he says amounts to "double taxation."

Johannessen insists the interim report is "non-partisan" and "fair," filled with mostly statistical information that CalFed and the public must know as decisions are made to overhaul water policy and perhaps invest billions into long range environmental, water quality and water supply projects.

Recommendations were still being formalized late Thursday, but several initial proposals include:

✂ A thorough audit of CalFed's budget. "We don't know where the money's coming from or where it's going," he said.

¥ Requiring CalFed to follow environmental review laws to consider the cumulative economic impacts of farm land conversions, particularly in the northern Sacramento Valley.

¥ Establish some kind of organization structure that would allow CalFed to get better information more quickly. Currently, numerous state and federal agencies all have independent authority and sometimes conflicting responsibilities and goals.

However, Johannessen stops short of making specific recommendations on two hot button issues:

¥ Building more reservoirs, including one in Sites Valley west of Colusa. Agriculture has long demanded more storage as part of any long-range water policy overhaul.

¥ A new north-to-south delivery channel, dubbed the "isolated facility." It's a costly and controversial plan reminiscent of the proposed peripheral canal rejected by voters in 1982 in a bitter statewide referendum.

Johannessen, whose district includes Glenn and Tehama counties and the Gridley area of Butte, said he purposely did not take sides - "as the committee" - on the storage and canal issues to ensure the report would not be perceived as his own bias.

"We have to draw a fine line," Johannessen said.

Personally, Johannessen continued, "there should not be any doubt that I do not place the peripheral canal as one of my priorities, but storage is a high priority - something you must have to solve our water problems."

While the environmental view is touched on in various sections of the report when it seems to coincide with similar points made by farm water users, such as concerns over ground water depletion, there are only two paragraphs specifically set aside for "environmental concerns."

One reason, Johannessen said, is the "Environmental Water Caucus" umbrella group failed to appear to testify when invited.

Also, the environmentalists have made their views known on major issues. "The environmental point of view is no bricks, no mortar, no conveyance, no storage, no way, no how. Period, end of story," Johannessen huffed.

CalFed executive director Lester Snow, through a spokeswoman, said he would prefer not to comment on the committee's interim report until after he's had a chance to read it.

CalFed's draft "preferred alternative," which will address issues like water quality, supply and environmental restoration, is expected to be released by Oct. 9.

Johannessen, who was appointed chairman of the Select Committee on CalFed by Senate President John Burton, D-San Francisco, said he hopes CalFed will incorporate the findings and other information into its work.

In the report, Johannessen cited several "errors and omissions" in the CalFed planning process that he believes need to be carefully examined. Examples include:

¥ Conflicting accounts of how much water the state really needs to keep pace with population expansion. Dennis O'Connor, a policy expert with the Office of Research, estimates the demand to be over projected by 1.2 million acre feet.

¥ Habitat restoration comes with a "very high" water price tag, and, in some cases, may not really be that environmentally friendly.

¥ Changes in Delta water policies could have "significant impacts" on boating and recreation that have not been adequately mitigated.

¥ Creating new wetlands has a secondary effect of providing ample breeding grounds for mosquitoes -- a severe public health risk that CalFed has not addressed.

While usually a fervent opponent of expanding government bureaucracy, Johannessen told the Enterprise-Record that some problems related to conflicting responsibilities among state and federal agencies, overlapping jurisdiction and the general unavailability of pertinent data perhaps could be overcome by transforming CalFed into a regular "agency" with stronger management powers.

That would also help users and the public understand whether various programs undertaken by other agencies, such as the U.S., Bureau of Reclamation or state Department of Fish and Game, are calculated in CalFed reports on land, cost and water use data, he said.

While there are several other committee members, as chairman Johannessen and his two-consultant team wrote and issued the interim report, which is common practice by select committees.

A free copy of the report is available by calling the senator's Sacramento office at 916-445-3353.

(Obvious typesetting errors were made in the first paragraph of the above article.)

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