



**CALFED  
BAY-DELTA  
PROGRAM**

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February 28, 1997

Richard Izmirian  
2215 Eaton Avenue  
San Carlos, CA 94070

Dear Richard:

This is in response to your letter of December 29, 1996 regarding the water use efficiency common program. I apologize for the delay in responding.

I would like to answer your last question first, regarding the relevance of the water use efficiency program. This part of the CALFED Program is intended to improve reliability of water supplies, and reduce the mismatch between supply and beneficial uses, by ensuring that those who use water diverted from the Bay-Delta system are implementing all cost-effective efficiency measures. It is not the purpose of the water use efficiency program to secure a water supply for environmental restoration. Greater efficiency and an active transfers market will facilitate the acquisition of water, for the environment as well as other beneficial uses.

The water use efficiency program focuses on local water management because that is where efficiency measures must be implemented. This does not mean that state and federal agencies will not be involved in efficiency programs. Our program calls for sharply increased programs of technical, planning, and funding assistance carried out by state and federal CALFED agencies. CALFED agencies will also play a strong role in providing assurances of efficient use.

Regarding definitions of efficiency, there is an important distinction between the direct pursuit of physical efficiency and the indirect achievement of economic efficiency. Our Program will provide assurance of physical efficiency by including strong sanctions against water users who do not implement cost-effective conservation measures. The Program will facilitate economic efficiency by supporting an active transfers market (including appropriate safeguards against unacceptable impacts) but we do not propose any sanctions against those whose use of Bay-Delta water supplies is not of the highest economic efficiency. We will more fully develop our suggestions for water transfers and expect to have a CALFED position paper out by summer on this important program element.

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**CALFED Agencies**

**California**

The Resources Agency  
Department of Fish and Game  
Department of Water Resources  
California Environmental Protection Agency  
State Water Resources Control Board

**Federal**

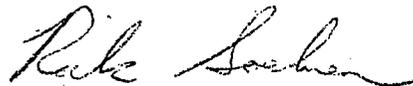
Environmental Protection Agency  
Department of the Interior  
Fish and Wildlife Service  
Bureau of Reclamation  
Department of Commerce  
National Marine Fisheries Service

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Our proposed program to look for opportunities to increase the achievement of CALFED objectives through changes in local water management may help us improve water quality or make environmental improvements. Viewed in isolation, this effort may seem modest. However, I encourage you and other concerned reviewers to instead view it as an important linkage between water use efficiency and our aggressive programs to improve ecosystem quality and water quality. We are confident that as the full strengths of the component programs are seen as a whole, many of these issues will be resolved. The program is not fully developed at this time because it is a somewhat new approach for CALFED agencies to take and will require development and study before it is ready for implementation.

I appreciate your participation in the Water Use Efficiency Work Group and your thoughtful scrutiny of the elements of the efficiency component of the program. I hope that you will continue to participate in this part of our program refinement.

Sincerely,



Rick Soehren  
Environmental Resources Specialist