



**CALFED
BAY-DELTA
PROGRAM**

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November 13, 1997

Byron Buck, Executive Director
California Urban Water Agencies
455 Capitol Mall, Suite 705
Sacramento, CA 95814

Dear Mr. Buck:

In March 1997 the CALFED Bay-Delta Program described a draft approach to water use efficiency. This draft approach includes three mechanisms designed to offer assurance that appropriate water management planning is carried out by local agencies and that cost-effective efficiency measures are implemented. We proposed that demonstration of appropriate water management planning and implementation of cost-effective efficiency measures will be necessary prerequisites for an agency to be eligible to:

- receive any "new" water made available by a Bay-Delta solution,
- participate in a water transfer that requires approval by any CALFED agency or use of facilities operated by any CALFED agency, and
- receive water through the DWR Drought Water Bank.

There is strong precedent and policy direction for these three assurances. During public scoping for the Program, we heard that water use efficiency must be strongly pursued in all the alternatives. This requires strong assurances. Governor Wilson, in his 1992 water policy, stated that "Entities receiving transferred water should be required to show that they are making efficient use of existing water supplies, including carrying out urban Best Management Practices or Agricultural Water Efficiency Practices." Finally, the Department of Water Resources established a policy in 1993 that the Drought Water Bank will not make water available to any urban area unless the area is implementing BMPs and has prepared an urban water management plan, a water shortage contingency plan, and water reclamation feasibility study.

Full discussion and careful refinement of appropriate assurances can overcome the concerns that led the CUWA Board to oppose the proposed assurances. Efforts are currently under way to resolve these concerns and develop reasonable and implementable assurances:

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
U.S. Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Department of Commerce
National Marine Fisheries Service

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Flexibility. The starting point for discussions between CUWA agencies and CALFED staff was recognition that we must not allow a small number of agencies to preclude delivery of new or transferred water to a region where efficient use is the norm. There is certainly a place in our discussions for making sure that no agency is deprived of needed water supplies during a drought.

Redundancy. CALFED has proposed assurance mechanisms that are partially redundant in order to increase the likelihood that assurances will work and reduce the uncertainty over our ability to assure the Program's expected implementation. That is why we have proposed both a certification process that may lead to fines or SWRCB action, and water-based assurances as described above.

Feasibility. The precedent and policy support for water-based assurances suggests that they are feasible. Withdrawal of these assurances would likely prove politically infeasible.

Implementation. The implementation of assurance mechanisms may be somewhat complex. For this reason, we have been working intensively with stakeholder groups such as CUWA and the Environmental Water Caucus to develop workable implementation methods. Throughout these discussions, CALFED has stressed that the focus of implementation should be directing assistance to agencies that need it, and that phasing of assurance mechanisms is essential so that no agency is surprised by our assurances or is given inadequate time to respond.

The Bay-Delta solution alternative that is proposed by CALFED, refined with stakeholder input, and finally adopted and implemented will be composed of literally hundreds of actions and dozens of assurances. CUWA has been engaged in a very constructive dialogue with CALFED over the development of alternatives and the ways that we might assure that they are implemented and operated as agreed. It is premature to exclude water-based assurances at this point in alternative refinement before we have done all we can to make such assurances fair and workable. I urge the CUWA agencies to continue to work with CALFED to develop assurances that make all stakeholders comfortable with the process.

Sincerely,



Lester A. Snow
Executive Director