

LEGISLATIVE CONCEPT PAPER
CALFED Bay-Delta Program
November 9, 1999

TITLE: Water transfer clearinghouse.

STATEMENT OF PROBLEM: Water transfers currently provide a method for voluntary, compensated, reallocation of water resources and are generally believed to have the potential to have a greater role. This increased potential is not being realized, in part, because of significant - but largely unverifiable - concerns about adverse multiplier effects (effects on "third parties," primarily agriculture-oriented businesses and agricultural employees) from a transfer of water currently used for agricultural purposes, and, in some instances, as a result of limited public disclosure and notification.

PROPOSED SOLUTION: Creation of a water transfer clearinghouse, mandating submission of information on proposed water transfers and providing for public disclosure of proposed and historic transactions, would provide information on actual transfers. The clearinghouse would serve as a central location for information on water transfers and on the effects of those transfers. Information regarding proposed water transfers that require approval from the State Water Resources Control Board, the U.S. Bureau of Reclamation, or the Department of Water Resources would be submitted to the clearinghouse and made publicly available. This information will allow third parties and policy makers to reach positions based on real-world experience.

The clearinghouse would also facilitate or collect data on approved transfers (for purposes of maintaining a database of relevant water transfer information), would ensure that technical baseline analysis is conducted to broaden our understanding of relationships between water transfer activities and possible socioeconomic and resource impacts, and would facilitate the development of broadly accepted methods for impact analysis (i.e., develop standard tools for use by water transfer proponents for future proposals).

CONSEQUENCE OF INACTION: Without a central location for water transfer information, improved public disclosure, and limited data collection and research, unproductive controversy will continue over every proposed water transfer, reducing the potential benefits of this water management approach.

ALTERNATIVES: SWRCB might adopt regulations to require additional information from water transfer proponents and might establish an information service.

HISTORY: A water transfer clearinghouse has been discussed extensively in development of the CALFED Bay-Delta Program and is recommended in the program's June 1999 Revised Phase II Report and supporting CALFED Bay-Delta Water Transfer Program Plan, an appendix to the June 1999 draft Programmatic EIR/S. Assemblyman Machado has introduced AB 732 (1999) to require the California Water Commission to study creation of a clearinghouse and to study the impacts of water transfers. This bill did not go to hearing in 1999.