

BDPAC Talk Notes
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Key Issues in California Water Planning

- How should the State of California plan for the future? Should it get all the various institutional actors together – interest groups, utilities, regulators, etc. – and see what they come up with? Or is there a California perspective that is different than the overlap of individual institutional perspectives?
- If so (and I think the answer is “yes”), can we design processes that are likely to produce outcomes that represent the interest of California as a whole versus what institutional actors can agree on?
- I am not sure. The history of California over the past several decades is not reassuring. As long as I have been involved in water, the public, the executive branches, and the legislature/congress just have not paid much attention. But when water is just an insider’s game without strong leadership from people accountable to the voters, we spin our wheels and cannot make tough choices.
- However, there have been exceptions and it is those exceptions that point the way.
- The creation of CALFED itself is one exception. The President Clinton and Governor Wilson forced their various agencies to work together to create the CALFED process.
- Then later President Clinton and Governor Davis provided the leadership to get the various agencies to agree to the CALFED ROD.
- The ROD was on the right track. It was based on the idea that California needs
 - A greater investment in environmental quality
 - To secure the water supplies needed for continued population and economic growth
 - To balance what is good for the state as a whole with what is good for local areas. That is, the state will not simply sacrifice areas of the state to serve the greater good.
- For a time, it looked like the ROD would be wildly successful. Salmon (which we do understand pretty well) started coming back. Smelt just about three years ago met the stated numerical requirements for delisting. California invested large amounts of money in water conservation and groundwater storage. There were still fights about surface storage, but

they seemed manageable. The EWA worked more or less as mapped out. The SDIP called for in the ROD was moving forward, though delayed.

- However, since about 2002 CALFED has been on a losing streak. And these problems reveal areas we need to manage better in the future.
 - Science.
 - We understand salmon fairly well now. In general we know how to increase their population and how much the various interventions may cost. And guess what, our interventions have been very successful. A handful of key additional actions in the future and salmon will cease to be a major area of conflict.
 - We didn't understand smelt when the ROD was signed and we still don't. We don't know where to intervene or how much it will cost. This basic reality isn't going to change for perhaps several more years. If there is a failure here, it is a failure to support management relevant science early in CALFED when smelt were riding high. If we had started studying smelt intensively early on, we might be ready to talk about leveraged responses now.
 - Acknowledging that an elephant is in the room.
 - The levee failures caused by Katrina have raised awareness of the vulnerability of our levee system. Prior to the ROD, a number of people, myself included, were raising concerns about the adequacy of CALFED's levee program, but we could not get traction. No one wanted to raise the issue even though they knew that failure to address the issue was a major problem.
 - Another elephant is global warming. Maybe 6 years ago people could consider it speculative. This position is becoming increasingly untenable over time. If we ignore global warming in our planning, we are going to be playing catchup later on.
 - Sustainable funding. Early money for CALFED funding came from the public with the expectation that beneficiaries would pick up more of the burden over time. There were two problems with this approach: (1) beneficiaries were understandably reluctant to pay until their benefits were realized and (2) there were no mechanisms to inhibit free ridership.
 - Stakeholder dissatisfaction?? Having some interests sue, such as the Farm Bureau and the enviros does not demonstrate that the

process failed. There is no solution that will make everyone happy. Moreover, there are many groups whose interest does not coincide with what might be best for California as a whole. Those who wish to protect all agricultural acreage cannot possibly like habitat restoration. Those who hope to constrain urban growth by limiting water supplies cannot like a solution that generates improved water supplies. So the lesson is that opposition to any solution is inevitable. The question whether the opposition is justified from a statewide perspective or is likely to bring down the solution is a job for those who are paid to make big decisions.

- We can do better the next time around by learning from the successes and limitations of CALFED:
 - Adult supervision. In addition to all the usual suspects we need sustained high priority by the executive branches at the state and federal level and the involvement of the legislature. These are the institutions that are accountable to the voters as a whole. The current high level of concern over the levees and the POD makes continued adult supervision more likely than it has been for many years. The level of interest by elected officials is very encouraging.
 - Goals. I think CALFED got it mostly right. Environment, economy, reasonable protection of local interests. No limits on water to control growth. No agreement to protect all agricultural acreage. The main area that needs more emphasis is in managing various forms of risk to the environment and economy – the impacts resulting from floods, earthquakes, climate change, and future invasive species.
 - Science and science-driven policy. There is enormous pressure to return to the combat biology we saw in the early 1990s. So far, CALFED has mostly resisted the pressure. How do you recognize a combat biologist? See whether their explanations of the science are based upon a desired outcome or whether they simply report on knowns and uncertainties, expecting good policy to rise organically out of objective science. How do you keep science pure? It is through peer review (to enforce professionalism) and through the injection of non-aligned scientists from the academy and other regions of the country into the mix. That is, good science will drive bad science back to the fringe where it will always survive.
 - Tools – keep your eyes on the prize. It is important to separate tools from goals. (Which is why it is important to identify goals

clearly). When people tell you that certain tools either must be taken off the table or locked into place, you should not agree. This kind of positional bargaining generally arises from hidden agendas, whether it is stopping urban growth, protecting subsidies, or satisfying ideological constituencies. Let the analysis proceed based on the goals identified, then decide at the end how best to meet California's needs. Yes, politics enters into the problem and we may never get the "best" solution. But running away from issues means we won't solve problems as effectively. Our problems are very complex. Putting unnecessary baggage on our few tools means tying our hands behind our back and creating inferior solutions. I can tell you that MWD will respect the outcome of the scientific process and planning based on that science. We hope others will make the same commitment.

- Funding. The correct model is and has always been that beneficiaries should pay, payers should benefit, and we should avoid free riders. I include the public as one possible beneficiary. The large infusion of public money at the beginning of CALFED made it seem for while that we could avoid worrying about beneficiaries pay. But efforts to hit water users with fees without assurance of benefits have also clouded the waters. The HCP process we see moving forward is promising because it is based on the right formula – you can pay into the HCP and get the benefit of regulatory stability or you can avoid paying and maybe get hit with regulatory requirements – another form of paying.
- Consensus. As with the ROD it will be impossible to satisfy everyone. So be it. We cannot avoid controversy. All that planners can do is what looks right for California as a whole. Then interests that are unhappy can go to the polls or go to court or to the press. That is the way the world works. But trying to please everyone simply means that you will fail to take decisive action. Then California loses.