I am delighted to be here in the unique city of San Francisco to speak directly to many of the Bureau of Reclamation constituents and beneficiaries as well as others interested in water resources development. Your organization has a long history of supporting timely water resource development in the State, including a number of reclamation developments and management programs during recent years. I sincerely hope that your future support of well-conceived water management programs—those of the Bureau of Reclamation and deserving others as well—will continue in the years to come, for very few investments in the future can have such lasting beneficial impact.

California's water program over the past several decades has materially aided her in becoming the number one food-producing State in the Nation. In an era when food problems continue to be of global concern, California's food-producing capability takes on vastly increased significance, both for her own well-being and the future of the Nation and the world.

The key to agricultural production in California is water, the single vital ingredient that is not normally abundant in California's soil-rich valleys. California is fortunate, however, in having a highly developed system of reservoirs, canals, and other related works to correct an otherwise critical natural water deficiency.

The largest single system among those that have been constructed over the last several decades is the Federal Central Valley Project. Thanks mainly to CVP, major rivers have been tamed, ground-water levels have been stabilized, major flooding has been prevented, and 6 million acre-feet of water is delivered yearly to farmlands and cities hundreds of miles distant from water supply sources.
The Federal control structures on San Joaquin Valley streams, combined with the facilities to control water in northern California and deliver it to the San Joaquin Valley, now provide much of the water that is used to irrigate some of the richest farmland in the world. The most recent list of the 10 leading counties in the United States in farm productivity include five served by the Central Valley Project: Fresno County, number one in the nation; Tulare County, number two; Kern County, number three; San Joaquin County, number six; and Stanislaus County, number 10.

The project delivers water to 75 water districts ranging in size from the Westlands Water District of about 600,000 acres down to the Swinford Tract Water District of about 190 acres. It also serves directly about 130 individual water contractors, principally in the Sacramento Valley. We estimate there are some 12,500 small-farm families in the 1.8 million-acre San Joaquin Valley portion of the Central Valley Project. These family farmers directly benefit from the supply of Reclamation water. In addition, of course, water is supplied to numbers of farm enterprises where several parcels of individually-owned land are farmed as a single unit, and to some large corporate farms—all legally within the acreage limitations of Reclamation law.

During 1974, an ideal combination of weather and water supply conditions throughout the planting, growing, and harvesting months produced a favorable harvest season. Some 14 million tons of food and fiber valued at $1.8 billion were produced on 2.7 million acres of land in central and northern California and southern Oregon, the direct result of CVP and other smaller reclamation projects in the area.

Currently, our construction program in California is proceeding at a rapid rate. We are looking forward to completing about $1.25 billion of authorized new water conservation and conveyance facilities during the next 10 years. Meeting this schedule, of course, will depend heavily on Federal budgetary considerations and support from California for adequate funding levels. The principal developments now under construction are the Auburn Dam, the Westlands Water District distribution system, the San Luis Drain, and the Tehama-Colusa Canal, all in the Central Valley Project. We are also looking toward an early start on the San Felipe Division to supply water to the Santa Clara-Monterey-San Benito Counties area. Although not yet authorized, the Mid-Valley and Peripheral Canals could well be started during the next 10 years.

So much for the facts and figures. By themselves, they are most impressive, and on the surface indicate that all is going well in California.

But you know and I know that not all is going well. Californians today are involved in various types and degrees of controversy concerning water resource development, management, and operation policies comparable to the Central Valley Project authorization issues in the 1930’s and the State Water Project authorization controversy in the 1950’s and early 1960’s.
While differences of opinion exist between the Bureau of Reclamation and the State of California concerning the authority and latitude each has in carrying out its responsibilities and obligations in water resource operation and management, I do not see those differences as being the root cause of the controversy in California today.

The root causes, I believe, are differences of opinion between various groups of Californians with special or competing interest. The old North-South division still exists, but in addition you have the developers vs. preservationists, the water-haves and the water-have-nots, the divergent Delta interests, those concerned with long-range needs and those more concerned with the immediate future, who should call the signals and who should pay the bill.

You have those who advocate making more water available to produce food...to produce power...to meet the needs of homes and factories...to increase recreational opportunities...to expand the State's economic base...to expand social and cultural opportunities...to protect and enhance the environment...to build...to stop building...to dilute pollution...to repel salt water intrusion. Special interest groups in California are numerous, vociferous, and influential. And their causes are not without merit.

But their objectives are often conflicting and they tend to shift their support among the agencies whose policies best fit their own particular objectives.

There is little unanimity among the divergent interests; they are together on only a few issues, fragmented on most.

I don't mean to condemn them for this. Special interest groups have a right and an obligation to make their positions clear and to argue their own causes. But until such differences of opinion between divergent interests are resolved, neither we--nor the Department of Water Resources--nor the Water Resources Control Board can state with certainty that we are responding to the wishes of the people of California.

Before I finish these remarks, I plan to suggest a way to define more clearly the wishes of the people of California, but first I would like to discuss the differences which do exist between the Bureau of Reclamation and State agencies in California.

From the point of view of the Bureau of Reclamation, the basic difference stems from efforts within the State which appear to have the objective of dictating policies and regulations which would affect the daily operation of Federal facilities and which would run counter to the authorized functions and obligations of Federal projects.

In stating that viewpoint, I do not mean to imply that we think the Federal Government should infringe upon the long-standing right of the State to allocate its water entitlements.
We recognize that the ultimate right to store, divert, and utilize water in accordance with applications made pursuant to State law is one of the key elements of past, present, and future development in the West. Each state has the duty to determine under its own statutes how its unappropriated water is to be used.

Since 1902, the Bureau has consistently taken the position that it will obtain under State law its rights to store and divert water for its projects recommended for Congressional authorization. In fact, water right filings should be made for necessary water rights prior to the conduct of detailed studies, and in most cases this has been done. But certainly the water supply for a given project must be tied down prior to Congressional authorization. It would be foolish to do otherwise. Much time and money could be lost by interim filings.

However, we do maintain the position that once we have filed for water rights pursuant to State law and, through appropriate subsequent proceedings, which vary among States, have obtained the right to use designated blocs of water for designated purposes, the States cannot unilaterally dictate daily operations of the Federal facilities nor unilaterally dictate future changes in authorized uses. Nor could the Bureau adopt changes which would contravene statutory intent or obligation. This prerogative is reserved to the Congress of the United States.

On the other hand, it must be remembered that the Congress can modify and amend the laws under which we operate, when agreement can be reached on the justification therefore. Within statutory limitations, we frequently have considerable operational flexibility. We exercise that flexibility to the fullest to maximize the total benefits that can be derived, so long as, in so doing, we do not jeopardize the authorized project functions. Flexibility can be expanded through judicious, coordinated system operation of facilities in a river basin, and can be further expanded by close coordination with others who own and operate water control facilities in the same basin. We strongly advocate this course.

We have historically operated Federal facilities in that manner including those of the Central Valley Project. Throughout the West, we maintain recreational pools in many reservoirs for use in the summer at levels as high as possible without jeopardizing other authorized functions such as flood control, irrigation, and power requirements. We maintain flood control space in reservoirs which were not authorized for flood control purposes, so long as we do not jeopardize the authorized water supply functions. We have on many occasions released huge volumes of water to repel salinity in the Delta, beyond any contract obligation, when such water was available. We have released water for fish and wildlife purposes and to maintain esthetically pleasing streamflows when water was available for such worthwhile objectives.

We have used our operational flexibility, usually in full coordination with operations by others, to maximize benefits and will continue this
policy—so long as the authorized functions of the Central Valley Project are not jeopardized. Beyond that, we cannot go without new or amendatory authorization from the Congress.

That is our position in regard to State laws and regulations which would affect operation of Federal facilities and our ability to accomplish the authorized purposes of our projects. The question has been raised as to whether we are bound by Federal Law, specifically by the Federal Water Pollution Control Act, as amended, (P.L. 92-500), to meet water quality standards in the Delta set by the State and approved by the Environmental Protection Agency.

Certainly we come under the Federal Water Pollution Control Act. But my advice from the Solicitor's office is that the Act does not require the Bureau of Reclamation to release water to dilute another's pollution. The law is to regulate and control point discharges of pollutants. If we were guilty of such an offense we would have to do something about it. But the water released from Central Valley Project facilities is superior in quality to the water in the Delta. In fact, during critical periods of the year, water quality conditions in the Delta are greatly superior to conditions which existed prior to CVP because of the releases from CVP facilities. Our releases are not polluting the Delta, and under present law, based on advice from the Solicitor, we have neither the obligation nor the authority to make releases solely to correct conditions for which we are not responsible.

We are sometimes asked, even by those who agree that we do not have the responsibility, why we are not willing to release some of our so-called uncommitted water for streamflow maintenance and water quality enhancement on a nonreimbursable basis.

The fact is, we do make such releases when it can be done without infringing on authorized functions either in the short- or long-term. But water which some people term "uncommitted" is in fact only temporarily surplus water. All water supplies developed under Federal authority are committed to specific functions even though they may not yet be under long-term contract.

Such water would not be available at all were it not for the authorized development that has already taken place, and that water has been earmarked for specific uses by the legislation authorizing such development.

Of course all allocation of water is based to some extent on projections of historical streamflow. You all know that in the past there have been, and in the future there will be, periods of surplus and periods of drought. Until all of the contemplated dependable yield of the CVP is put to use, there will be periods of surplus. Even thereafter, there will be some periods of surplus, though they will be less frequent in occurrence and less in quantity. Thus, our operational flexibility will over time, significantly decline.
If we were to commit CVP water to firm, long-term diversions for nonauthorized functions, the authorized functions of the Central Valley Project would inevitably suffer. Agricultural and M&I uses would be particularly hard hit.

Such diversions can be made on a short-term basis—and possibly on a "when available" basis over the long-term—but only when they do not interfere with the Project's authorized functions and financial obligations. Pertinent considerations must include carryover storage. That is basic water planning and is an integral aspect of balancing water supply with requirements.

I'd like to get back to what I see as the overriding problem in California—the conflict of competing groups and interests for control of California's existing and projected water resources—and what can be done about it.

The current planning program of the Bureau of Reclamation is being conducted in an atmosphere of total public involvement. Our objective is the general acceptance of a plan that does the most good for the most people both now and in the future.

Public involvement in the planning process brings special interest groups into the picture and provides an opportunity for objective consideration of all points of view. The careful weighing of special interest group proposals is part of the process of seeking common ground for reconciliation of differences.

Individuals come and go; issues come and go; political platforms come and go. People, I believe, are here to stay. Special interest groups include exploiters at one extreme and total preservationists at the other. Neither extreme can be condoned. Between these extremes are numerous well-meaning groups whose desires or demands must be blended with those of others.

Development has been basic to the economic growth and well-being of this State and this Nation, and to the society it supports. Wise development of resources is still basic to the continued growth of and well-being of California, the Nation and the world, but we must recognize that the world may go on for many generations and that our resources must be used wisely, to give assurance that our renewable resources of land and water will remain available for man's benefit in perpetuity.

In California, we have a Federal water program largely, but not totally, embodied in the Central Valley Project. The State of California also has a water program, probably the greatest and most comprehensive of any State in the United States.

The Federal Central Valley Project and the California State Project have much in common and must be planned, developed, and operated in very close cooperation in order to maximize benefits of the two massive undertakings, or conversely, to avoid inefficiencies and loss of potential benefits. Differences in State authorities and obligations as compared to
Federal authorities and obligations must be taken into account. The common good must be given prime consideration. The contractual obligations of both must be taken into account, and, as far as either or both have flexibility for operation, the priority of objectives or project functions must be taken into account.

As mentioned previously, special interests are numerous, vociferous, and influential. One group may propose Federal legislation to its benefit while its close next-door neighbor may strongly oppose the very same piece of proposed legislation.

Because such differences exist, someone must assume the leadership in finding common ground between the philosophies and program advocacies of Southern California, the divergent Delta groups, the Sacramento Valley needs, the San Joaquin Valley needs on the east side, and on the west side, the Contra Costa County desires, and other competing needs.

How are we to reconcile differences of opinion as to what constitutes the wisest use of California's water resources? Who should attempt to reconcile those differences?

Since the Central Valley Project is an intra-State basin rather than inter-State, I suggest that the State of California officially assume the leadership in attempting to bring all interests together.

I want to assure you, however, that the Bureau of Reclamation is by no means passing the buck when I make that suggestion. We stand ready to cooperate with the State in public involvement meetings, in technical studies, in technical analyses, and in any other way in which we can be helpful in searching for common ground. Our only limitation may be funds and personnel. The Congress controls the funds, and OMB controls the personnel ceiling. Today we have 1,300 fewer people than we had 6 years ago, and 10,000 fewer than we had some 20 years ago, to perform a program that is greater by far than any in our history.

During the past two years, Reclamation has been conducting a Central Valley Project Total Water Management Study. That study is unique, not only because of its emphasis on water management rather than water development, but also the open public participation which is being encouraged.

Nearly 50 public meetings already have been held in connection with the study to obtain public views on needs and desires related to water management in the Central Valley. A recent series of meetings had as its principal purpose obtaining public views on specific water management proposals related to water supply and water marketing.

A significant part of the study effort will be dedicated to reanalyzing the Federal Central Valley Project. This reanalysis will consider how the project operation, authorizations, or structures can be modified so that the
Project can better meet today's needs. This type of reanalysis is needed because environmental, social, and energy considerations are even more important today than they were when most of the project was authorized and constructed. Also, with 25 percent of California's water resources barred from development due to Wild River status of several northern rivers, with continuing overdraft of many ground-water basins, and with increasing drainage problems in many of the farmland areas, future water demands will surely tax all available experience and ingenuity.

We understand that the California Department of Water Resources is about to undertake a reformulation of the California Water Plan through a similar program.

I hope that we will be able to coordinate these two studies so that when they are completed, we will come up with, not a plan for the Central Valley Project and a plan for the State Water Project, but a new California Water Plan which will meet the needs of the vast majority of the people of California for generations to come.

The Federal and State objectives are similar, or ought to be, and we in Reclamation are willing to lend our support to mutual cooperation with the State in this effort.

The thrust of our joint effort should be toward maximizing benefits and minimizing detriments. If should focus on total water management, both in planning and in implementation, to maximize efficiency in water use so as to serve better the needs of people.

One prime example of better total water management is the Peripheral Canal which is, so far as I know, the most efficient means yet proposed for controlling water quality in the Delta. It could save, I understand, about a million acre-feet of water a year as compared to other methods of meeting similar water quality objectives in lean water years.

State and Federal technicians working together ought to be able to team up on studies to verify the amount of water that would be saved by the Peripheral Canal, and if such savings can be confirmed, I see no reason why all concerned should not lend their support to a joint Federal-State Peripheral Canal.

In order to arrive at a plan which will provide the greatest benefits for the largest majority of Californians, we must establish in our planning program an atmosphere of mutual trust and confidence not only between the Bureau of Reclamation and State agencies, but also between and among the representatives of the various interest groups involved.

Once that atmosphere has been established, we must lay all of our cards on the table, face up; all pros and cons must be exposed and explored.
No surprises. No ulterior nor devious motives.

Once the proper atmosphere has been established and objectivity assured, we can clearly define and understand the differing positions...the reasons for those differences...and only then begin to draft solutions which undoubtedly will require much give and take.

We cannot expect only the special interest groups to participate in the giving and taking; representatives of the State and Federal governments also must be willing to do some giving as well as taking.

It is true that the State Water Resources Control Board and the Department of Water Resources operate under certain legislative limitations and obligations. The Bureau of Reclamation likewise has certain statutory limitations and obligations. But both we and the State agencies also have a certain amount of flexibility which we should be willing to exercise to the fullest for the benefit of the people of California.

It is possible that through our joint efforts a new California Water Plan might be proposed which would require greater flexibility on the part of the Bureau—or the State—than is presently possible under existing legislation.

If such a plan were to receive unanimous or near-unanimous support from all of the interest groups involved, I see no reason why the legal impediments could not be removed.

I cannot speak for the State of California, but I can assure you that, if our joint efforts reveal that amendatory legislation for the Federal program is necessary and justified and has strong general support from the affected State interests and beneficiaries, the Bureau of Reclamation will support such legislation.

I am not concerned nor fearful of our ability to obtain amendatory Federal legislation if the need is clearly defined, the justification is positive, and the support is strong.

But I would be less than honest if I did not tell you bluntly that, based on my own evaluation and longtime experience, if the conflicts now existing in California cannot be resolved, not only will amendatory Federal legislation not be forthcoming, but the support we now have for water resource development in California may well dry up. I cannot believe that is what the people of California want.

But unless the State of California takes the lead in determining the wishes of its citizens regarding future water resource development, management, and operation policies in the Central Valley, and elsewhere in the State, how are any of us to know for sure what the people of California do want?
QUESTIONS THAT MAY BE ASKED OF COMMISSIONER AT CWRA OCTOBER 10

Question: When does the Bureau expect to get on with construction of Folsom South Canal?

Answer: As soon as we have a resolution of the Lower American River flow problem. We expect to release a report on the matter late this fall for public review. One suggestion currently under consideration is possible legislation which would authorize a Hood-Clay connector but delay actual construction and operation until a regimen of river flows is agreed upon.

Question: Does the Bureau still consider the 1971 joint operating agreement between the CVP and SWP to be feasible of accomplishment?

Answer: Although it is still unsigned, fundamentals of the 1971 agreement have been used daily as the basis for coordinated operation of CVP and SWP. We view coordinated operation of the two projects as necessary.

Question: Can State and Federal water programs in California be completely integrated?

Answer: Because we operate under different legislative authority, different methods of financing and reimbursability, and are governed by different sets of rules, I don't believe integration is feasible. However, I strongly favor coordinated operation as well as truly joint undertakings wherever possible.

On do you mean merge State & Fed facilities into one project under one manager - State & Fed?
Question: Is the Bureau obligated to conform to water quality standards established by the EPA rather than the rules for the Central Valley Project established in the original authorizing Act of Congress?

Answer: Discussed in prepared remarks.

Question: What is the Bureau's attitude toward proposals by State officials and the State Board that the Central Valley Project Act be amended to include purposes such as enhancement of fish, wildlife, recreation, scenic and esthetic values, and water quality?

Answer: We can support amendments of the authorization of CVP and are currently studying the various legislative proposals that have been put forward. In the near future we anticipate having a draft of such legislation for possible submission by the administration. The question of reimbursability must recognize the fact that there are ranges of alternatives for the Delta just as there are for export service areas. These ranges of alternatives and the tradeoffs therefrom must be carefully weighed. Insofar as reimbursable benefits are concerned, beneficiaries should pay for benefits received.

Question: What is the Bureau's view toward the proposal in the DWRA draft Central Valley Project reauthorization that CVP purposes be added to include "water quality" which shall include salinity control?

Answer: We believe consideration of such an amended authorization should be preceded by a clear tabulation of the tradeoffs involved and those tradeoffs should then be carefully considered at the State level as well as by the Congress.
Question: Doesn't this open up a Pandora's Box under which SWRCB Decision 1379 requirements automatically would be forced upon the Bureau if approved by the EPA, plus any other salinity control measures the EPA and the SWRCB might order?

Answer: It would appear to pose such a possibility in the minds of many. A great deal would depend upon the nature and intent of the legislation.

Question: What is the Bureau's viewpoint on the agreement between Santa Clara Valley Water District and the State Department of Water Resources with relation to San Felipe Project?

What is the Bureau's view on the requirement in this agreement that Santa Clara Valley accept Federal water delivery reductions as required in dry years to help maintain minimum flows to meet Federal water quality standards for the Delta? Also the requirement that the Santa Clara Valley will accept entitlement reductions in its Federal contract in lieu of waste water reclamation?

Will the Bureau honor all of the provisions of this agreement?

Answer: We do not deem this action to involve the Bureau of Reclamation. SCVWD is a customer of both CVP and SWP and as such they have considerations other than would a water user with a single supplier.

Our normal contracting policy is to provide water required to meet their future service area needs at a water rate required to repay project costs over a fixed period of time. We would anticipate that water quantities presently being negotiated by SCVWD from the CVP are deemed by SCVWD to be adequate for meeting their future needs.
Question: What is the attitude of the Bureau with regard to the demands of State Water Resources Director Ronald B. Robie that Congress write into its appropriation bill for the New Melones Project the requirement that it shall be operated in conformance with State Water Resources Control Board Decision 1422, which requires only a partially filled reservoir until such time as Bureau contracts for stored water are executed?

Our word from Washington is that the House Interior Committee disregard this request and proceeded to approve even more than the President asked for, and that the matter is now pending in the Senate.

Is New Melones so far along now that the Federal Government will not consider the State Administration's request for compliance with Decision 1422, or what is the status of the whole situation? There are a lot of people in California particularly in the Northern sector, who are much interested in this matter.

Answer: We do not support such legislation as we are aware of demands in and adjacent to the area of potential service for New Melones that are significantly in excess of New Melones yield. The Bureau has made significant progress in development of California's water resources without such a measure of State control. Quite frankly, I believe it is healthy to have room for differing opinions and attitudes in any area as important as future water supply.

Question: What is the attitude of the Bureau with regard to the Peripheral Canal, particularly the demands of State officials that the project be operated in conformity with EPA and State Board rules?
Answer: We believe it should be a joint undertaking in every sense of the word. It enables us to accomplish authorized water service functions with reduced impacts on the Delta environment and a significant savings in project water supplies.

We do not believe these authorized project functions fall under the regulatory control of EPA as our Delta operations do not constitute pollution in any form--but rather an enhancement over pre-CVP conditions--especially during the summer and fall months.

Question: In a speech to the Commonwealth Club, Mr. Adams stated, "Federal participation in Delta facilities must be assured through either Congressional authorization or an executed contract for the State to transport Federal water through such facilities." What does the Bureau think of that proposal?

Answer: We believe in full joint participation and would rather not have a wheeling arrangement as State customers receive a priority from State-owned works.

Question: In Mr. Adams' speech he declared, "The US Bureau of Reclamation and its water contractors have expressed the opinion that the Board has no jurisdiction over operation of Federal projects and the imposition of flow release requirements in Decisions 1379 and 1400 was improper. Both decisions are currently in litigation." Can Mr. Stamm comment on this?

Answer: These decisions must be litigated to ascertain who is lawfully correct. Mr. Adams believes the State has jurisdiction--we and our water users do not--hence, the lawsuits.
Question: Does the Bureau believe that in order to meet the demands being proposed by State officials, such as the various enhancements, etc., that additional storage to enlarge Delta flows is essential? If so, could Mr. Stamm come up with some figures as to amounts of flows needed and, possibly, suggested areas for water storage?

Answer: About 3.7 million acre-feet of water per year would be required for the enhancement sought in the Delta under operational conditions such as we have at present—no Peripheral Canal and no overland facilities.

You can meet Delta fishery needs and CVP/SWP water supply needs by (a) dry year fish criteria relaxations (we have dry year shortage criteria in our water service contracts); (b) shortages to existing and future customers (c) development of north coast water supplies; (d) development of long-term carryover storage; or (e) elimination of dry year carryover storage presently maintained in CVP/SWP reservoirs. Again, tradeoffs among the alternatives should be closely evaluated in arriving at the course of action to be taken. Tuscan Buttes near Shasta or Los Maganos (Vaqueros) or an enlarged Los Banos would provide the ability to skim wet year flows to develop new yield. However, all of these—if dry period carryover is involved—would restore only about one-third of the 3.7 million acre-feet Delta flow requirement.

Question: State officials are now giving the public the general impression that possibly through conservation, extensive use of waste water reclamation and pumping from well fields located in areas with high water tables, perhaps no additional water storage projects
will be needed in the indefinite future.

Answer: Sacramento flows that are not being recovered through return to the stream or ground-water pumping are minor. San Joaquin flows are being over-used at present--hence, we have saltwater drainage needs and a minor potential for freshwater conservation. I say minor because we already know that over-mining of ground water in the San Joaquin Valley is occurring to the amount of in excess of 1 million acre-feet per year. Any real savings in water application will have to consider water required--in excess of minimum plant use--for maintaining soil salt balance.

Question: Could Mr. Stamm issue a warning of the terrible consequences in water and possibly power shortages if these theories prove to be wrong in a few years--and project lead times preclude any early remedies?

Answer: The more we reduce carryover safety factors of our water supplies, the closer we come to a crisis-type of operation. We have not been willing to operate that way in the past as the costs, both financial and environmental, would be in excess of that required for wise and prudent planning for future emergencies.
To: Commissioner, LBR, Washington, D.C., Attention: Code 140
From: Special Assistant to the Regional Director, LBR, Sacramento, CA
Subject: Questions that may be asked of Commissioner at CWRA October 10

Many of the points covered below were touched upon in the draft presentation forwarded last week and are direct responses to the Keating list of questions. A number are aided possibilities, considering the locale of the presentation.

Question: When does the Bureau expect to get on with construction of Folsom South Canal?

Answer: As soon as we have a resolution of the Lower American River flow problem. We expect to release a report on the matter late this fall for public review. One suggestion currently under consideration is possible legislation which would authorize a Wood-Clay connector, but delay actual construction and operation until river flows are reduced to some specified minimum.

Question: Does the Bureau still consider the 1971 joint operating agreement between the CVP and SWP to be feasible of accomplishment?

Answer: Although it is still unsigned, the 1971 agreement is now being used daily as the basis for coordinated operation of CVP and SWP. We view coordinated operation of the two projects as necessary.

G.F.

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1) **Question:** Can State and Federal water programs in California be completely integrated as some State officials like W. W. Adams, Chairman, State Water Resources Control Board, and Department of Water Resources Director Ron Robie are advocating?

**Answer:** We have for several years been engaged in negotiation of a permanent coordinated operating agreement between the CVP and SWP. At present we operate under an annual agreement not significantly different from the permanent agreement that we have been trying to negotiate. This agreement would safeguard identity of CVP and SWP resources, but would also provide for sharing of resources during periods of shortage. Neither CVP nor SWP could enter into an integrated project arrangement so that SWP could operate CVP reservoirs or vice-versa because of power commitments, water contracts or recreational, fishery or navigational considerations.

For example, SWP cannot be operated without provision for meeting power commitments to PG&E. CVP cannot operate without provision for navigational flows or exchange contract deliveries required for operation of the Friant Unit. Because we operate under different legal authorities, different methods of financing and some variability in the techniques we employ.

2) **Question:** Is the US. Bureau of Reclamation obligated to conform to water quality standards established by the EPA rather than the rules for the Central Valley Project established in the original authorizing Act of Congress?

**Answer:** Our opinion is that EPA has power to regulate pollution.

Since Delta water quality criteria during some months are significantly better than conditions that would occur pre-CVP or that would occur as a result of Congressionally authorized project operations required to meet Delta quality criteria contained in water service contracts, we do not believe that our operations fall within the pollution prevention powers of EPA. Therefore we do not believe that the Congress intended for water quality enhancement criteria established under PL 92-500 to supercede water service functions authorized by the Congress in the development of the CVP.

3) **Question:** What is the Bureau's attitude toward proposals by State officials and the State Board that the Central Valley Project Act be amended to include purposes such as enhancement of fish, wildlife, recreation, scenic and esthetic values, and water quality?

In this connection, what is the Bureau's attitude toward proposals in these bills that such costs shall be non-reimbursable under Federal reclamation laws, while the costs of preservation of fish, wildlife, water quality and the environment at levels which would exist in the absence of the Central Valley Project shall be reimbursable under the Federal reclamation laws? How would the money for such non-reimbursable enhancements be raised?

**Answer:** There is presently inadequate provision in PL 39-72 and amendments thereto to provide for allocation of costs for recreation and fish enhancement and to provide for mitigation of damages.

We do not support reauthorization of the CVP as is being sought by DWR and others because we do not believe the benefits sought justify the cost involved. Meeting the water quality conditions sought under the proposed reauthorization...
would require maintenance of conditions enhanced over pre-CVP conditions and enhanced over those quality criteria contained in CVP water service contracts in the Delta. Both would be at the expense of existing project service functions above and below the Delta and have not been shown to be warranted by a full analysis of the tradeoffs involved. If potential losses in the service area were not clearly in excess of potential gains in the Delta, we could not very well oppose the reauthorization — rather it would be irresponsible not to assist it. The whole argument over reimbursement ignores the fact that there are ranges of alternatives for the Delta just as there are for the export service areas. These ranges of alternatives and the tradeoffs therefrom must be carefully weighed in placing the Delta foremost in line for developed water supplies of the CVP.

Insofar as reimbursable benefits, the primary beneficiary should pay for benefits received except in those cases where the benefit is national in scope and should be borne by the Federal Government.

One way to raise the reimbursable monies would be to have the State purchase water required for the level of enhancement over pre-CVP conditions desired and extract payment for benefits received from water consumers, fishing and boating fees or allocations from Tidalands oil revenues or Davis-Dolwig allocations.

4) Question: What is the Bureau's view toward the proposal in the DWR draft Central Valley Project reauthorization that CVP purposes be added to include "water quality" which shall include salinity control?

Answer: (a) We do not endorse the reauthorization as being in the best interest of the State of California or the nation. We believe that any such requirement should be preceded by a clear tabulation of tradeoffs first at the State level and then by the Congress.

(b) It would appear to pose such a possibility. However, the Congress is aware of EPA/SWRGB/DWR activities and conflicts with the Bureau of Reclamation and the CVP and the Congress continues to authorize funding of projects that expand M&I and agricultural capabilities of the CVP.

5) Question: What is the Bureau's viewpoint on the agreement between Santa Clara Valley Water District and the State Department of Water Resources with relation to San Felipe Project? This seems to blackmail the Santa Clara Valley people into taking less State and Federal water and to support State Delta policies as against Bureau policies.
What is the Bureau's view on the requirement in this agreement that Santa Clara Valley accept Federal water delivery reductions as required in dry years to help maintain minimum flows to meet Federal water quality standards for the Delta? Also the requirement that the Santa Clara Valley will accept entitlement reductions in its Federal contract in lieu of waste water reclamation?

Will the Bureau honor all of the provisions of this agreement?

Answer: We do not deem this action to involve the Bureau of Reclamation. SCVWD is a customer of both CVP and SWP and as such they have considerations other than would a water user with a single supplier. We would not care to comment on DWR use of leverage gained by having the significant remaining uncommitted conveyance capacity in the San Joaquin Valley.

We will deliver SCVWD whatever supply of water they decide will be required to meet their future service area needs at a water rate required to repay project costs over a fixed period of time. Since we do not reserve uncontracted water supplies of the CVP to use by any project service area, we would anticipate that water quantities presently being negotiated by SCVWD from the CVP are deemed by SCVWD to be adequate for meeting their future needs.

6) Question: What is the attitude of the Bureau with regard to the demands of State Water Resources Director Ronald B. Robie that Congress write into its appropriation bill for the New Melones Project the requirement that it shall be operated in conformance with State Water Resources Control Board Decision 1422, which requires only a partially filled reservoir until such time as Bureau contracts for stored water are executed?

Our word from Washington is that the House Interior Committee disregarded this request and proceeded to approve even more than the President asked for, and that the matter is now pending in the Senate.

Is New Melones so far along now that the Federal Government will not consider the State Administration's request for compliance with Decision 1422, or what is the status of the whole situation? There are a lot of people in California, particularly in the Northern sector, who are much interested in this matter.

Answer: We do not support such legislation as we are aware of demands in and adjacent to the area of potential service for New Melones that are significantly in excess of New Melones yield. The only purpose of such a legislative inclusion would appear to be placing Bureau actions under control of a State agency -- which seems to be an obsession with some interests. The
Bureau has made significant progress in development of California's water resources without such a measure of State control. Quite frankly, I believe it is healthy to have room for differing opinions and attitudes in any area as important as future water supply -- rather than having the single-mindedness that some seem to desire.

7) Question: What is the attitude of the Bureau with regard to the Peripheral Canal, particularly the demands of State officials that the project be operated in conformity with EPA and State Board rules?

Answer: We believe it should be a joint undertaking in every sense of the word. It enables us to accomplish authorized water service functions with reduced impacts on the Delta environment and a significant savings in project water supplies.

We do not believe these authorized project functions fall under the regulatory control of EPA as our Delta operations do not constitute pollution in any form -- but rather an enhancement over pre-CVP conditions -- especially during the summer and fall months. (Could insert excerpts from E. London opinion.)

We can support a coordinated CVP-SWP operation. However, we could not support a fully integrated project operation if that means a loss in identity or right to use our own project's resources. Water rights of the CVP are real property entrusted to the Bureau for safekeeping and management to beneficial use. That is why the State must purchase water from the CVP as any other water user/distributor. Repayment for project works must be borne by beneficiaries of project service. To allow the SWP to use CVP water supplies without repayment due to "full" integration or any other arrangement would be imposing an unfair burden on California and the nation's citizens who have borne and must continue to bear CVP developmental and operational costs. The SWP has paying customers under contract for the water it would seek to acquire under "full project integration." We will market CVP water supplies to the SWP for satisfaction of over-contracting by SWP during the interim period of years while CVP contracts and developments are building up to full project demand. We cannot support any other arrangement for use of CVP water supplies than a "pay as you go" arrangement.

8) Question: Could the Bureau evaluate the factuality, along with supporting figures, on the claim of Mr. Adams in his Commonwealth Club speech that "the Bureau of Reclamation has substantial amounts of Central Valley Project water which are not contractually committed." Mr. Adams also suggested "the possibility of reauthorizing the CVP and reallocating this uncommitted water..."

This kind of talk should be nailed down with the facts, if there are any because such statements are being used by the opponents of water development and getting pretty good mileage.
Answer: As noted in our CVP Total Water Management Study Working Document No. 5 -- which has been distributed broadly to State and local agencies -- we either have under long-term contract or have otherwise identified needs for all of the CVP's water supplies. If you assume that our customers cannot use their contracted water supplies, then you could assume that there is a surplus -- any water under long-term contract, however, is a project obligation. Mr. Adams has a copy of our TWM report -- if he has more factual data on CVP operations and obligations than is contained in that report, he has not shared it with us.

9) On pages of Mr. Adams' speech he stated, "Federal participation in Delta facilities must be assured through either Congressional authorization or an executed contract for the State to transport Federal water through such facilities." What does the Bureau think of those proposals? Previously it was my understanding that the Bureau proposed to build and operate the canal, but when authorization never was obtained, the State came in and decided to build and operate it itself, getting Federal participation if possible.

Answer: We believe in full joint participation and would rather not have a wheeling arrangement as State customers receive primary benefit from State-owned works. As an example, in recent discussions with DWR for the use of the California Aqueduct for wheeling CVP water in the San Joaquin Valley, water for CVP customers would all have to be pumped with on-peak power even though it was pumped around the clock and during periods of off-peak power availability. It would appear that under an SWP wheeling arrangement, we could not enjoy all the benefits of SWP customers but we would be expected to pay the same costs.

The State has never during the past 15 years actively campaigned for Federal Peripheral Canal authorization with anything like the fervor generated for a State-only canal.

10) On pages of Mr. Adams' speech he declared, "The US. Bureau of Reclamation and its water contractors have expressed the opinion that the Board has no jurisdiction over operation of Federal projects and the imposition of flow release requirements in Decisions 1379 and 1400 was improper. Both decisions are currently in litigation." Can Mr. Stamm comment on this?

Answer: These decisions must be litigated to ascertain who is lawfully correct. Mr. Adams believes the State has jurisdiction -- we and our water users do not -- hence, the lawsuits. One important item of consideration in the lawsuits should be a determination of what constitutes enhancement over pre-CVP conditions. The Bureau of Reclamation must abide by Federal statutes in the allocation of CVP resources and in the collection of CVIP repayment required for use of CVP resources.
11) **Question:** Further, are current conciliatory actions between the State and Federal Governments, such as a Memorandum of Understanding between the Bureau, the State Board and the DWR on water rights, environmental impact review, and Federal project authorization, and a conjunctive study by the Bureau and the DWR on the San Joaquin Drain problems an indication that all of these problems may be solved through negotiation rather than confrontation?

In this connection, Mr. Adams, on Page 7, states, "The Board is working to avoid such future confrontations."

**Answer:** The Memorandum of Understanding would do nothing more than "set down in print" the coordination procedures that the Bureau, as a matter of course, goes through with the SWRCB in the development and administration of the CVP. It did not accord SWRCB any greater veto power or other measure of control over USBR operations than it had prior to drafting of the memorandum.

12) **Question:** Does the Bureau believe that in order to meet the demands being proposed by State officials, such as the various enhancements, etc., that additional storage to enlarge Delta flows is essential? If so, could Mr. Stamm come up with some figures as to amounts of flows needed and, possibly, suggested areas for water storage?

**Answer:** About 3.7 million acre-feet of water per year would be required for the enhancement sought in the Delta under operational conditions such as we have at present -- no Peripheral Canal and no overland facilities.

You can meet Delta fishery needs and CVP/SNP water supply needs by (a) dry year fish criteria relaxations (we have dry year shortage criteria in our water service contracts); (b) shortages to existing and future customers; (c) development of north coast water supplies; (d) development of long-term carryover storage; or (e) elimination of dry year carryover storage presently maintained in CVP/SNP reservoirs. Again, tradeoffs among the alternatives should be closely evaluated in arriving at the course of action to be taken. Tuscan Buttes near Shasta or Los Meganos (Vaqueros) or an enlarged Los Banos would increase the ability to skim wet year flows to develop new yield. However, all of these—if dry period carryover is involved—would restore only about one-third of the 3.7 million acre-feet Delta flow requirement. Also, you would have problems with advocates of the need for large Delta flushing flows.

13) State officials are now giving the public the general impression that possibly through conservation, extensive use of waste water reclamation and pumping from well fields located in areas with high water tables (see Page 5 of Adams speech), perhaps no additional water storage projects will be needed in the indefinite future.
The DWR's 2-year study which has resulted in a general moratorium on State water programs until the California Water Plan can be revamped, seems to be saying in advance that this is the case.

Could the Bureau comment on this theory, which I do not buy at all, if all the figures which have been released by previous DWR administrations and the Bureau are at all correct.

**Answer:** If the conclusions are already known — why study?

Sacramento flows that are not being recovered through return to the stream or ground-water pumping are minor. San Joaquin flows are being over-used at present — hence, we have saltwater drainage needs and a minor potential for freshwater conservation. I say minor because we already know that over-mining of ground water in the San Joaquin Valley is occurring to the amount of in excess of 1 million acre-feet per year. Any real savings in water application will have to consider water required — in excess of minimum plant use — for maintaining soil salt balance.

14) **Question:** Could Mr. Stamm issue a warning of the terrible consequences in water and possibly power shortages if these theories prove to be wrong in a few years — and project lead times preclude any early remedies?

**Answer:** Nobody thinks to close the barn door until after the horse is gone. The more we reduce carryover safety factors of our water supplies, the closer we come to a crisis-type of operation. We have not been willing to operate that way in the past as the costs, both financial and environmental, would be in excess of that required for wise and prudent planning for future emergencies.

[Signature]
Mr. Gilbert G. Stamm, Commissioner
U.S. Bureau of Reclamation
Dept. of Interior
Washington, D.C. 20240

Dear Gil:

We are, of course, delighted that you are able to accept our invitation to be the featured speaker at our October 10 Water and Environmental Leaders Luncheon to be held at 12 noon at the Holiday Inn, Financial District, 750 Kearny Street, San Francisco.

I have been in touch with Gerry King of your Sacramento office with regard to your appearance and this letter serves only to confirm our discussions in which you advised of your availability.

We all look forward to seeing you once again in California and hope that you can enlighten us somewhat on some of the perplexing water problems which have developed in recent months.

Sincerely,

Jack W. Keating
Executive Manager