WATER TRANSFER POLICY CONSIDERATIONS

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Water transfers from agriculture to urban areas are being promoted as a way to meet increased urban water demands, and as a more economically efficient use of water. The transfers are predicated on the assumption that there is insufficient current water for urban areas to guarantee availability for new development. The following proposal advocates that future water transfers should serve as a tool to accelerate urban conservation and the institutionalization of policies to promote better water management. Further, any long-term water transfers should require specific implementation plans and sufficient financing to assist rural areas in either maintaining their rural nature or evolving into a more diverse economy appropriate to the 21st Century.

Water Transfer Beneficiaries

Water transfers to urban areas should be contingent upon adoption of water conservation measures in the receiving communities. Water transfer agreements should require the implementation of Best Management Practices for water conservation in the areas that are receiving the water transfer. These include, for illustrative purposes,

- Any water delivery to new development should require that units built will not consume more than a specified number of gallons per day per person
- Any water delivery to new developments should require dual plumbing so that potable water is not used for irrigation purposes
- Any water delivery to new development should require the installation of landscaping that needs no more than local annual rainfall to sustain itself
- Industrial water users should employ Best Management Practices ("BMPs") for each industry
- The legislature should adopt tax incentives or other subsidies should be available to developers or homeowners to implement such BMPs

Such policies would substantially reduce water usage while instilling new values in urban water users.

Beyond individual household level and industrial water consumption, water transfer agreements should also be dependent on the implementation of Best Management Practices with respect to storm water and dry weather run off recapture for all new construction. For example, new construction should be required to ensure storm and dry weather runoff is captured and

recharged. This can be done through the use of permeable surfaces, cisterns and other techniques.

Water in the Place of Origin

To date, the assumption that an acre-foot of water is more valuably utilized in urban areas than in agriculture inadequately considers possible long-term impacts to the areas from where water is being taken and the overall value of maintaining a rural landscape in California for agricultural and environmental purposes. These transfers also do not sufficiently examine the potential for on-farm water conservation rather than the fallowing or development of farm land for non-agricultural purposes. Thus, current market analysis ignores future potential scenarios of changing agriculture toward more water efficient technologies and crops, and the less tangible and poorly studied aspects of the overall value to society of maintaining rural landscapes and rural communities.

Moreover, limited study has been done on the long-term impacts to the resilience of the food supply chain in the U.S. resulting from acreage being taken from production in California, suggesting caution is in order to avoid unintended consequences. 2005 is the first year in which the United States imported more food than it exported, a trend that has potential security consequences. Further, no real evaluation has been done on labor impacts of fallowing of farmland that could result in more migration directly to urban areas. In contrast, Europe has been promoting the importance of rural farming and the value of ensuring the long-term survival of agriculture. This has been done to preserve rural landscapes, ensure local agricultural production and tradition, and to buffer any unforeseen global shocks to the agricultural supply chain.

Therefore, water transfers should advocate and require a balancing of societal values. These public policy considerations rarely are explored as part of legislation. Identifying minimum requirements to be included in legislation might include the following:

- Any water transfers must include the adoption of Best Management Practices for water conservation by the receiving community
- Any permanent water transfer (more than 10 years) must include a detailed analysis of macro and micro-socio economic consequences and the set aside of 15 percent of revenue for long-term planning and mitigation
- Any water transfers must conduct a complete analysis of where substitute crops will be grown, including study on land ownership and labor conditions, the environmental impacts on that exporting location, and local water supply and availability

Adopting balanced economic and water strategies at the Place of Origin and Receiving communities will sustain long-term water availability in California. The Southern California Water Community ("SCWC") can play a pivotal role in advancing these values because SCWC provides a platform for a candid discussion of these many competing values by the impacted parties. Any legislation on water transfers will be contentious because it is frequently driven by special interests and lobbyists rather than long-term public policy considerations. A detailed and balanced proposal by the SCWC could provide the impetus and cover to those legislators who are willing to tackle the harder planning and infrastructure problems facing our State, including the movement of water.