

REGIONAL WATER AUTHORITY
Outline of Action Plan Concerning CALFED Water User Fee Proposal

1. General objective: for RWA to effectively represent in a cost-effective manner the interests of RWA members regarding the proposed CALFED water user fees; utilize RWA member resources as appropriate.
2. Inform (and regularly update) RWA members concerning CALFED water user fee issues.
3. Coordinate RWA activities on this issue with other RWA members.
4. Obtain conceptual approval for RWA activities on this issue from the RWA Executive Committee, Board of Directors and members.
5. Prepare an RWA comment letter/position paper that generally includes the following points:
 - RWA has played a constructive role toward implementing a successful CALFED program and we are prepared to continue to support the program. (reference the Feinstein federal funding support letter, water transfers, successful EWA water sales, conjunctive use programs, environmental restoration projects, implementation of the Water Forum Agreement and LAR improvements, implementation of water efficiency measures, initiation of an Integrated Regional Water Management program to better utilize resources, and more)
 - RWA members reside in the CALFED “solution” area – where great potential exists to generate CALFED projects and solutions consistent with the ROD. In fact, since the ROD, a long list of mutually beneficial partnership projects (see above) have been implemented. Any attempt to impose an adverse, unilateral water user fee in the solution area could impair future cooperation on a number of important projects.
 - RWA agrees with the “beneficiaries pay” principle: entities or communities that directly benefit from the CALFED program should pay the costs for such benefits. Therefore, any fees/taxes must be assigned directly to benefits received.
 - Benefits and beneficiaries need to be clearly defined.
 - On CALFED projects or elements for which “user fees” are proposed, a public process needs to be established to fairly determine and define project “benefits” and project “beneficiaries”. Potentially affected water users must have a meaningful role in such a process. CALFED should NOT seek legislative action on “user fees” prior to conducting such a process and obtaining

support from potentially affected water users.

- Cost-sharing agreements with willing participants are an effective mechanism in lieu of a unilateral fee, as has been shown in the Sacramento Valley.

- For those elements of the CALFED project that do not yet have secure funding sources, CALFED should develop less-costly, “scaled down” alternatives to match available and realistic funding projections. The CALFED program implementation plan must be made to match a realistic CALFED budget. It currently does not.

- RWA members have independently funded important upstream ecosystem improvements on the “Wild and Scenic” lower American River. RWA members were party to the historic Water Forum Agreement (“WFA”) to protect the lower American River and provide for reliable water supplies to the year 2030. We are in the process of implementing the locally-funded WFA, which has much synergy with the CALFED program. For example, environmental enhancements provided by the WFA will improve upstream habitat for important anadromous fish species that migrate through the Bay-Delta. Planned diversion agreements and integrated operations via conjunctive use of surface and groundwater resources will provide higher dry-year American River flows to the system – benefiting the Delta environment and water quality.

6. Communicate this RWA position to CALFED and other interested parties.

7. Coordinate RWA activities on this issue with other organizations, including ACWA, NCWA and the Chamber of Commerce (e.g., as a Cap-to-Cap issue).

8. Provide briefings on the RWA position to local legislators, other key legislators, CALFED staff, Bay-Delta Authority Board and staff, export interest, etc.

9. Conduct a review of the CALFED Environmental Restoration Program to evaluate which elements could provide direct benefits to members of RWA.