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NEW DIRECTIONS FOR U.S. WATER POLICY

"THE LANDSCAPE OF WATER IN THE WEST" REMARKS BY GOVERNOR JERRY BROWN

Stanford, California

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PROCEEDINGS

GOVERNOR BROWN: Thank you Bob and reminding everyone about Yale Law School. It's not like it used to be. In fact there's been a lot more laws since we went to law school. I've calculated that. (laughter) There's been over 50,000 new laws in California, which I've probably signed 12,000 myself. (laughter) So don't worry, any of you new lawyers. There's going to be plenty of work to do.

Well, water. Big topic. Hard to talk about, complicated, covers a wide range of activities and problems and geographic areas. I've been hearing about water a long time, probably 60 or 70 years long. My father was Attorney General and I can remember over the dinner table him talking about the Arizona California Law Suit which he was the chief lawyer for California and that had been going on for decades and it was all about the allocation of Colorado River water, crucial to California, southern California particularly and also Arizona.

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So water was always a big story and even today, lots of the challenges that were brought about, talked about, debated 50 years ago are still very alive. I guess it was Earl Warren who started talking about fixing the delta. This is the body of water that captures the Sacramento River water and then moves it along to the aqueduct for distribution to farms at Santa Clara County and to southern California. And the delta is full of lots of issues and problems and people have been trying to fix it for a long time.

In fact, the California water project, which was Proposition One on the 1960 ballot, won by a very tiny margin. That was the year that Kennedy beat Nixon but Nixon beat Kennedy in California, and nevertheless the water, Proposition One passed then and I'm confident that Proposition One will pass again this November. We have a second Proposition One. It's doing a little better than the first Proposition One. It's a 7.5 billion dollar bond that covers a number of topics, but the point I want to make is that ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7190

water is not only complicated, it's long debated. We're talking decades. And the water project that was finally enacted when my father was governor and built in subsequent years, had some missing ingredients. And one of them is, how do you deal with the delta, which is a body of water protected by earth and levies that are more than 100 years old and vulnerable to earthquake and to extreme weather events or to rising sea level. And that's a real problem because, for example, Santa Clara County gets half its water through the aqueduct coming from the delta, and if salt water intrudes, that would be a very bad day at the ballot because half your water would disappear. That's not a little trivial event, that, if you want to put it in economic terms, hundreds of billions of dollars, virtually overnight.

So this is serious stuff. And there's by no means a consensus at this point -- lots of fighting over this. Matter of fact, I proposed a solution to the delta in 1978, passed the legislature, Democratic as well as Republican votes, but it was put to a ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

referendum by an odd alliance of some central valley farm interests and environmentalists in the north. They both put their combined reference and they defeated it and because of that defeat, the next three governors avoided water issues like the plague. And then it wasn't until Governor Schwarzenegger began to address the issue and developed a Stewardship Council to deal with the delta problems and also help put a water bond on the ballot -- an 11 billion dollar water bond that promptly was labeled pork filled and was stigmatized on all sides. So not very easy.

Also in 1978, I established a water commission under the former Chief Justice Wright, was the Chief Justice appointed by Ronald Reagan and he convened a bipartisan group of experts and public servants. And they came up with a plan. And one of the key ingredients of that plan was to regulate the ground water. Well I can tell you, it took from then, 1978 to a few months ago, to get a ground water plan, and so this is not something for a flash in the pan. This is not just for a one term governor. This is really ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

the work of a four term governor. (laughter) You need your first couple of terms just to set the table, make the proposals and then you need your last two terms, thirty years later to finally carry the ball across the finish line, which is what we're going to I can promise you in the next four years, water do. is the key issue and we're going to build on the great work of Earl Warren and Pat Brown and Governor Schwarzenegger and I might even say my first couple of (laughter) And it will be controversial. terms. The issues have not been fully resolved but like energy and climate change, that have been contentious but also led to very productive initiatives, the same will be true of water, and it will be something that I'm going to put front and center.

Since I'm not doing a lot of campaigning, there has been some question in the press -- will there be anything done in the next four years, because we don't know. But we haven't heard. Well, you're hearing today. Water is going to be a major issue that will be addressed in the California legislature ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

and in Congress and throughout communities everywhere because water doesn't get solved in one office or one place. Water issues are handled by a multitude of They're handled by state rules and local agencies. institutions and also by the federal government. So it's a complicated interplay of governmental jurisdictions at every level and of course, it engages partisan and ideological fervor. You have people who are focusing on biological diversity, you have other people who are focusing on production of agriculture, export of crops, you have people focusing on the urban areas, you have people focusing on drinking water that in some parts of our state, just doesn't exist. People are literally having to use bucket water for their showers and getting sand out of their tap in various parts of the central valley. We're not just talking a handful. We're talking thousands of people that are dependent on water deliveries. So there's a lot to do. We have a lot of ideas. This goes back into our history, post-World War II and it will continue, because we're not going to get it all done ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

overnight. And that is one of the great challenges in Democratic governance, that we have these elections every four or two years. But the problems don't get solved with a glib TV ad or you know, some -- the latest du jour controversies or debates. This is long standing. It takes perseverance and it takes a lot of collaboration across a broad political spectrum.

And water is not one of these things that you can take it or not or it's a political game of some kind. The hydrological cycle is a part of nature. And we have to get aligned with it. We're not going to align it with us, except with certain limitations. And in that sense, California has manipulated and interfered with and managed the hydrological cycle in ways that probably have no comparison anywhere in the world. California is a highly engineered and managed water state. And if you fly over it, you'll see all the difference causeways and dams and reservoirs and various other transfer facilities, pumping stations. It's quite complex. It's incredible and the answer is not to go back to ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

some presumed utopia before the gold rush, because that's coming back. We got to manage what we have. And a state that for 10,000 years never had more than a few 100,000 people and now has 38 million, and yet the amount of water that falls is no more today, in fact maybe less than it was over the last thousands of years. So we got a management challenge that's going to take money, it's going to take brains; it's going to take innovation. It's going to take all the magic of the marketplace to bring out the best of our creativity.

So looking specifically where we are, we do have ground water management and that was quite heroic to get. And we got it first of all because we've been working on it --somebody, for over 30 years. Secondly the drought has people's attention. And as farmers particularly put their straw into the ground and suck out more and more water, the central valley subsides and people start to get worried -- where will we be in a few years. So based on that, there has been -well, it is the greatest support -- ground water ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7190

management's ever joined and that's why I was able to get a bill on my desk and sign it. So that's key, because you can't ask people to store, bank water, and you need to bank water if you're going to transfer water and where all the water pricing is fine, but you have to have the water. And you have to have it available and you have to be able to move it. Well people will be confident that water underground is being stored if there are rules, and the rules are clear and they're fair and they're effective. So that's how important ground water management is.

Then we -- second big thing was the Stewardship Council working on the delta, and that is very controversial, how we're going to fix that, but you can be assured, we're going to be working on it as best we can. Now we have a water action plan in California. We have a number of steps. I want to just go over some of them. The number one priority for the California Water Action Plan is conservation. We're pretty good in energy. California uses half the energy per capita as the rest of the country. But ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

when it comes to water, the reverse is true. We're using more water. So in both urban area and in agriculture, we have to find ways to conserve. We can conserve in both sectors. And that's going to take -there's different techniques, technologies. We already have a goal of 20 percent reductions in urban water use by 2020. There's a lot of technology being adopted by farms but there's a lot more we can go. There are millions of acre feet to be derived from water conservation as well as water recycling. You can take water and use it again and again and again. That's called water recycling. And that's also part of the program.

Capturing storm water -- there is over a million acre feet of storm water that just goes out to the ocean. That can be captured too. But that costs money, takes technology and it takes local authorities to take action and we're going to do that. Local water plans -- integrated water plans that the state encourages, monitors, and in part finances -- that's the second part. And I mentioned the third part of ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190 the plan is fixing the delta and that requires a more efficient conveyance because we're not getting the full use of the water that comes. Today, we're in a drought. We don't have the water. But there are times of high quantities of rain, with the climate change it's going to come in ever more sudden torrential forms and we have to find a way to capture it. But when you capture it you also have to be able to move it. And currently the delta is not equipped to do that in the most efficient way.

We also have to restore eco-systems. California's a big part of the fly way for birds that fly from the north down to South America. Eighty percent of the environment, the river, free-flowing rivers of California are gone, but there are ways to restore and we're trying to do that and that's one of the big conflicts between salmon and smelt and other species and water to be used. And those are contentious. The federal government now has authority under the Endangered Species Act and as I look at it, what it was when we proposed a delta solution in 1978 ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

to what it is now -- much more complicated. And we know more. I'd never heard of a smelt in 1978. It probably existed. I know it existed. (laughter) But it didn't exist in my mind. And we didn't have these biological opinions. So Congress will attempt to change those and there will be lots of fighting about it.

But at the end of the day, you need a balanced plan that protects the diversity of species, that restores habitat, because in restoration of habitat, water can be absorbed in the ground, instead of just running off. And that's another reason why restoring eco-systems actually captures more water and makes it available. We have to prepare for dry periods. We're in a dry period. Now when water comes and people want to plant, grow and use again, but we need a longer term understanding and plan to be able to use water, but at the same time, you save water for the eventuality of drought. And so we live in a world of calculation and science, but nature follows its own trend. And we can understand nature but not ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

completely. One thing we do know, uncertainty and stuff happens, and we have to be prepared for it and it's not so easy to do that. We've increased water transfers. We can do more and you'll hear more today about water pricing and that's important too.

The Water Bond Proposition One has storage of both above ground and underground and now with the water management of underground water, we're going to be able to make much better use of storage. And the more the ground is restored in the habitat, then the more water that will be captured, go into the aquifers and be available for later use. We also have to have -- make sure we got safe water for these communities that don't have it.

And then the eight part of the ten point water plan is flood control. This is serious. There was a flood in the 1850's that pushed water from north of Yuba City to south of Modesto. Everything was inundated in between including Sacramento. Well there's a lot more infrastructure there today. And there's a lot at risk. We're talking a minimum half ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

of trillion of assets and seven million people are affected. So we got to make sure we're investing in appropriate flood control. Then we have to worry about managing between the federal and the state government. Lots of, and local, lots of different conflicting regulations, conflicting powers and jurisdictions and that has to be worked through.

And finally we need financing -- money. You have to spend money on things. Proposition One -- 7.5 billion that will be spread -- allocated in various ways to all the different programs I have been mentioning, but that's not the end of it. There's a lot of infrastructure that has to be built and so local water districts have to have the capacity to raise the funds. It's going to take investment. You're not going to have 38 million, much less 50 million people that we'll have over the next 20 years using water unless we build and invest billions, probably tens of billions of dollars certainly, over the next 10 to 20 years.

> So it's a big task and it's one that's hard ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

to talk about because it's covering so much. And I really appreciate that so many people are here to sit and listen and think about it. I've been thinking about this a while and I can tell you, the more you look into it, the more there is. But I'm confident that just as California has led the way in renewable energy and initiatives regarding climate change, we can do the same thing with water. We're in the arid west. We're facing more droughts. We're facing more extreme weather events. We're facing sea level rise, but we can respond to it. We can respond but only by bringing both parties together, regions north and south, different aspects of the state economy, agriculture, environment, urban businesses and users -- all that has to come together. So it's a real challenge that will test our governing system. So far, our governing system is holding, but the next few years, we're going to have to meet even more difficult tests. So with that I'd just say, vote yes on Proposition One. (laughter) Fasten your seat belts. We're going to have a very exciting ride over ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

the next four years. Thank you very much. (applause)

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

)Signature and Seal on File)

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