

# EXECUTIVE SUMMARY

Built for an earlier era, California's water allocation system is near the breaking point. Vast amounts of increasingly precious freshwater move through a network of storage and conveyance facilities for delivery to distant farms and cities that hold a hodge-podge of historic water use "rights." The result of this ad hoc system is both rampant inefficiency and growing inequality.

To date, state officials have assiduously avoided the kind of comprehensive management of water resources that is necessary to prioritize basic human needs and safeguard natural systems for future generations of Californians. But as the Sierra snowpack predictably diminishes and periodic droughts worsen in both magnitude and duration with the changing climate, California stands at a crossroad. We can either continue business as usual, leading inexorably to ever-greater user inequities and the almost-certain collapse of our remaining aquatic ecosystems. Or we can chart a different course for the twenty-first century, one that arises from the values embedded in contemporary notions of the public trust and our responsibilities as stewards of water. This paper argues for the latter path.

In this paper, we outline the state's current water management and allocation strategies and display how these fail to meet current needs. In particular, we analyze in detail why water markets – the state's current idealized solution to our water woes – will further entrench our dysfunctional water uses, directing water toward the most profitable use, rather than toward the most socially and ecologically beneficial use. We then argue that in order to holistically transform our water governance to meet social and ecological demands, we need to embrace a new water ethic in which the special nature of water as life-giving and undeniably public, rather than private and for-profit, is recognized.

Consistent with this water ethic, we present alternative water strategies and next steps, including broadening the suite of voices and disciplines active in setting the water vision and strategies for the state. We recommend applying vastly under-utilized legal tools, such as the waste and unreasonable use and public trust doctrines; developing and prioritizing instream water rights, to ensure that waterways' needs are addressed; gathering data on surface flows, groundwater levels, and water withdrawals and uses; enforcing water use rights violations, including direct penalties for violating water right permits and streamlined action on violations of the waste and unreasonable use doctrine; and increasing agricultural and urban water efficiency while reducing demand, so that efficiency savings are not simply translated into more use. These reforms, implemented from the ground up with broad public participation, will help the state more effectively manage scarce water resources for the benefit of humans and ecosystems alike.