

## DEPARTMENT OF WATER RESOURCES

ITEMS 255, 256, 257 of the Budget Bill

Budget page 594

FOR SUPPORT OF DEPARTMENT OF WATER RESOURCES FROM THE  
GENERAL FUND AND INVESTMENT FUND

Amount requested ----- \$10,532,740

Estimated to be expended in 1957-58 Fiscal Year ----- 8,021,331

Increase (31.3 percent) ----- \$2,511,409

RECOMMENDED REDUCTIONS ----- Deferred

## GENERAL SUMMARY

The Department of Water Resources was established in July, 1956, by the consolidation of several independent water agencies. Its principal organization structure consists of the Director's Office, the Divisions of Administration, Resources Planning, Design and Construction and the Southern California District Office. Besides certain statutory responsibilities such as providing watermaster service, supervision of safety of dams, licensing weather modification projects, gathering data on ground water levels and streamflow, flood project operations and flood control emergency operations, etc., the department prepares plans for new water resource projects and is currently authorized to design and construct the Feather River Project, the five Upper Feather River Projects and the North Bay Aqueduct. In addition, the department is constructing the Whale Rock project in San Luis Obispo County, the Upper San Joaquin River Flood Control Project and smaller works under reimbursible contracts from other state agencies.

## ANALYSIS

This is the second budget submitted by the department since its organization. While several improvements are evident in the format of this year's budget request, the increasing complexity of the problems, the increase in the size of requests, and the addition of new programs and responsibilities result, in the end, in a budget this year which is perhaps less satisfactory than last year's budget. A year ago we stated our feeling that last year's budget actually exercised no real program or management control over the department except in terms of total positions and dollars. In most regards, the same can be said for this budget. The work to be undertaken is either poorly defined or not defined at all so that progress and accomplishment cannot be related to expenditures in dollars. We are further confronted with the problem this year that the budget for the Department of Water Resources was so late in being completed, that adequate review for this analysis was impossible. As might be expected, the lateness and rush surrounding the completion of this budget have not added to its quality.

Last year the Department of Water Resources and the Department of Finance agreed before committee to undertake a series of studies to improve the budgeting and organization of the Department of Water Resources as follows:

1. The Department of Water Resources will move to establish an adequate staff and organization for business management and cost control (p. 807 in Fiscal Year 1957-58 analysis).

## Department of Water Resources—Continued

2. The Department of Water Resources will study the consolidation of its geologic work (p. 813 of analysis).
3. Clerical positions will be shown and budgeted where the work is done (pp. 814 and 815 of analysis).
4. The Department of Water Resources agrees to submit a report to the Legislature on its electronic data processing program as specified on page 816 of the analysis.
5. The Department of Water Resources will move (1) to simplify its budgeting and clarify supervisory responsibility in areas such as Supervision of Safety of Dams (p. 812 of analysis) and establishing design flood flows (p. 818 of analysis) and (2) to eliminate as much reimbursement between branches and sections of the department as possible (p. 810 of analysis).

So far as we have been able to ascertain, the Department of Finance has done no work included in these commitments. The Department of Water Resources has been doing some work, but its beneficial reflection on the budget now under consideration is negligible.

As the principal water agency of the State, the department noticeably reflects all the disagreement and uncertainties which surround water problems in the State at this time. Its budget demonstrates vividly the lack of clear state programs and policies covering the role of the State in planning and constructing projects. Our analysis naturally cannot undertake to resolve these important problems; only legislative decisions can do this. It is the function of this analysis to point out the problems and identify them as they appear in the budget. This will be done within the limitations permitted by the late date on which we received the budget, i.e., only two days before it was necessary to publish this analysis. Even at that time, the control figures were missing. We are able, therefore, to include only general comments and recommendations in this analysis. Further detailed and specific recommendations will be furnished at the time of committee hearings.

Last year the Department of Water Resources requested an increase of approximately \$2,000,000 for the current year. For next fiscal year, the department is requesting an even larger increase of approximately \$2,630,000. Along with this dollar request, the department seeks authority for almost 600 new positions. This increase alone is roughly equivalent to the total number of positions in the department when it was first organized, and is larger than the total staff of the former Division of Water Resources two years ago. During the past calendar year, the department has met its recruitment goals and we see no reason for doubting that this new personnel can be secured, if authorized. The department is requesting increases and new positions in almost all phases of its work program, and nowhere are there indications of leveling off in work load or reaching any stability in expenditures.

In brief, the increases requested are as follows:

- (1) Six junior staff analysts;
- (2) A series of new supervisory positions;
- (3) A series of new specialized organizational units to undertake new or expanded activities;

## Department of Water Resources—Continued

- (4) A major expansion in the machine computing staff;
- (5) 25 new positions for water quality work;
- (6) 24 new land and water use specialists;
- (7) A large number of new engineering positions for project planning;
- (8) 350 new positions for project design and construction;
- (9) \$700,000 increase in the California water development program;
- (10) \$120,000 increase in co-operative work with the Federal Government.

Most of these increases can be related to four fundamental problems which should receive special legislative consideration. These four problems will be briefly discussed below. Detailed recommendations cannot be made until committee hearings.

Regarding the first problem, our analysis devoted major attention last year to the deficiencies in the department's budgeting and the relationship of these deficiencies to organization. These management problems have received some attention during the intervening year, but not all the results have been satisfactory. A new work order system has been installed and some management controls streamlined and revised. While the form of these management controls seems well conceived, we have not yet seen any evidence that they are functioning to control costs satisfactorily. In fact, the department's increasing operating costs and budget requests would indicate that these reforms may be impotent and that strong program direction and cost control are not yet in existence. This conclusion is reinforced by the department's organization problems.

Of special concern to us last year was the criss-crossing organizational pattern in which everyone seemed to be working for someone else and in which the principal supervisors lacked real control over their programs. We made specific recommendations at that time for simplifying the department's organization, increasing the responsibilities and authority of key supervisors and eliminating the patchwork of fractured and disjointed responsibilities. The increased costs and inherent inefficiency were noted.

Last year we anticipated that organization difficulties would confront the department. Since then our normal working relationships with the department have disclosed numerous instances of supervisors being by-passed and of working relationships contrary to the organization pattern. This year's budget request bears out the validity of our observations. The increased costs are now amply evident in the form of requests for new positions to co-ordinate activities and the establishment of new levels of supervision.

Since we have forecast this problem, we do not deny that the department needs to take remedial action. The easy solution to this problem is to ask for more co-ordinators and to spend more money to overcome the lack of clear lines of responsibility. That, we feel is fundamentally the reason for certain new positions being requested in the department's budget. However, granting these new positions will not solve the real

## Department of Water Resources—Continued

problems confronting the department. Only the identification and realignment of the significant elements of responsibility for program performance and bringing the organization into conformity with these elements will bring satisfactory results. If the requested new positions are not allowed, the department will be forced to deal with its true problem and significant savings to the State will be realized. *It is therefore our preliminary recommendation that none of the new supervisory and co-ordinating positions be allowed except to meet the construction responsibilities related to the Feather River Project and other projects under construction and for one position in the Office of the Chief, Division of Resources Planning, to assist in review and co-ordination of reports.*

The positions which should be eliminated, including two already existing, are as follows:

Directors Office	
Assistant hydraulic engineer .....	\$6,360
Senior stenographer-clerk .....	4,092
Division of Resources Planning	
Water Utilization Section	
Principal hydraulic engineer .....	13,200
Intermediate stenographer-clerk .....	3,540
Power Planning Unit	
Associate engineer .....	7,728
Technical Services Section	
Principal hydraulic engineer .....	13,200
Intermediate stenographer-clerk .....	3,540
Reports Unit	
Editorial aid .....	3,540
Intermediate typist-clerk .....	5,496
Drafting Unit	
Senior delineator .....	6,060
Delineator (2) .....	9,980
Senior drafting aid .....	4,512
From last year's budget	
Associate geologists (2) .....	16,000
Operating expenses for above .....	Unknown
	<hr/>
	\$97,248

The second major problem relates to the department's basic data gathering activities. Two years ago our analysis requested the State Engineer to make a comprehensive survey and report on the State's basic data gathering activities and needs as a basis for evaluating budget requests and the performance of the department's program. The State Engineer agreed to prepare such a report in the ensuing year. The report was not prepared and before the committee last year, as well as on subsequent inquiries, the department has stated that the report was under preparation and would be ready for submission as a part of this year's budget consideration. The report has not yet been submitted. One reason frequently cited for the delay is the complexity and difficulty of the problems involved. Both last year and this year, the department has requested substantial increases for its basic data activities but has not submitted the report to justify these requests. We do not understand the basis on which the department determines its

## Department of Water Resources—Continued

own needs without such a report and, of course, we do not understand how the department expects the Legislature to evaluate its requests and needs intelligently in the absence of such a report, the importance and significance of which is admitted by all concerned.

In this budget, requests are being made not only for increases in field expenditures but also for permanent new supervisory positions and new organization units related to basic data gathering, all of which total approximately \$600,000. We conclude from the large increases being requested that serious deficiencies must have appeared in the department's basic data gathering program. It is conceivable that some of these deficiencies vitally affect the validity of some of the department's planning of projects. We feel that the subject report is of considerable importance. If it is not of importance to the department, then neither can these requested increases be important, particularly when justification has not been forthcoming over a two-year period.

Pending further analysis, *we recommend that all the following increases be denied on the basis of no justification.*

## Basic Data Increases

Land and water use -----	24 positions	\$127,032
Maps and surveys -----	4	23,652
Geologic Investigations Unit -----	5	28,104
Hydraulic Unit -----	7	47,400
Ground Water Unit -----	2	12,132
Surface Water Unit -----	12	69,012
Meteorologic Unit -----	7	38,208
Water Quality Section -----	25	138,372
Work in co-operation with Federal Government -----		131,220
Total -----		\$615,132

The third and perhaps most important of the department's problem areas in this budget lies in the project planning work. Here certain costs are increasing, original deadlines for some reports are not being met, while at the same time new projects are being planned with what appears to be very little regard for the interest the State may have in constructing the project or without reasonable regard for the probability that the project will ever be constructed. Thus, the work on planning of alternative aqueduct routes to Southern California will not be finished this fiscal year as originally scheduled but will continue into next fiscal year, and more money is being requested. The San Joaquin drainage study was estimated originally to cost \$600,000 and to last four years, but this budget requests \$400,000 to finance work through the second year, or only one-half of the original work schedule. Several other projects such as Northeastern Counties and Shasta County Co-operative have substantially exceeded estimates. The Yuba-Bear River Development has been redefined, expanded, and with this year's request will total \$550,000 in expenditures. Other projects are running up very high cumulative costs and reports on them are far in the future.

The costs of project planning have increased to the point that this budget no longer proposes to finance them from the General Fund. Rather, it is proposed to appropriate the money from the Investment Fund. The Investment Fund will finance construction of presently

## Department of Water Resources—Continued

authorized projects for only two years—an insufficient period to complete any of the projects now being started, or even to place parts of the major projects into operation. Yet it is now proposed to use the State's only remaining construction funds to finance the planning of more projects.

We recognize that there are many intense pressures for the planning of new projects and that much of the work now included in this budget represents some type of legislative direction to the department to undertake the work. Yet there is no evidence that in the next decade or two the State can finance or construct most of these projects. Some of the projects being planned are not intended for state construction, yet the State is paying for the planning. Other projects being planned in detail represent no present need. All of these project plans can become obsolete relatively rapidly. Geology and hydrology do not change but human desires, land values, project needs, and services, etc., do. Therefore, it does not necessarily follow that these project plans will retain their value. Substantial elements of them will have to be redone at considerable additional cost if the project is ever considered for construction. Some specific recommendations will be made after more study of this problem.

Following is a table of all the projects in the California Water Development Program for which money is being requested. This is the first year in which the department has scheduled completion dates and this represents a forward step. It is hoped that in the Fiscal Year 1959-60 Budget the department will include estimated total cost for each project being planned.

California Water Development Program			<i>Estimated expenditures</i>	
<i>Project</i>	<i>Category</i>	<i>Completion date</i>	1957-58	1958-59
Mokelumne-Calaveras-Stanislaus River Basin .....	2	7/59	\$123,680	\$293,477
Upper Feather River Investigation...	3	6/58	413,339	---
Salinity Control Barrier Investigation	3	6/59	251,817	264,879
San Joaquin Drainage Investigation	3	6/61	111,760	318,192
Northeastern Counties Ground Water Investigation .....	Information	6/60	96,479	143,757
Shasta County Co-operative Investigation (Co-operative) ---	2	6/58	79,975	---
North Coastal Development Investigation .....	2	1961	287,395	387,900
Sacramento River Basin Investigation				
Upper Sacramento .....	2		27,062	130,700
Yuba-Bear River Development.....	2	7/59	207,833	340,900
Inventory Water Resources (Regan Investigation) .....			340,900	395,200
Southern Alameda Salt Water Intrusion .....	2	6/59	116,487	147,927
Lower San Joaquin Valley Water Quality Investigation (Co-operative) .....	Investigational	1960	8,800	8,800
Shasta Valley Investigation .....	3		106,030	84,472
McCloud River .....		6/59	45,323	---
Upper Pit River .....	3	9/58	68,849	7,900

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**Water Resources**

**Department of Water Resources—Continued**

Project	Category	Completion date	Estimated expenditures	
			1957-58	1958-59
Tuolumne County Co-operative Investigation -----	Information	7/60	--	58,890
Branscomb -----	Information		--	81,723
Cache Creek Basin Investigation-----	1	7/59	47,845	84,598
Mariposa Area Investigation-----	2	7/60	44,924	126,581
Wilson Valley Dam (Co-operative)---	3	6/58	5,500	--
Northeastern Counties Investigation	3	1958	23,500	--
Klamath River Investigation-----	2	3/58	1,830	--
Trial Distribution—Co-operative----	1		207,800	233,000
Sacramento				
American-Feather				
Local Co-operative				
City of San Diego-----	2		--	10,566
Tule River -----			--	35,000

A fourth problem area lies in the staffing of the Division of Design and Construction. Major staff increases are to be expected in this division if Feather River Project construction is to continue. The next year's budget request includes increases of approximately 100 percent in both number of positions and dollars. Many of these positions represent workload as yet unestablished for which no previous experience is available as a guide. Furthermore, the number of new positions is so large that even if adequate time had been available to review this budget this office is not in a position to handle such a large task. Under these circumstances it is not possible for this office to give a careful review to these positions. We have seen no evidence in the past two years that the Department of Finance is exercising any significant control over these new positions, nor is the Department of Finance now staffed or organized to control these positions. We, therefore, reluctantly conclude that there is no meaningful control over this large number of new positions.

**COLORADO RIVER BOARD**

ITEM 258 of the Budget Bill

Budget page 622

**FOR SUPPORT OF COLORADO RIVER BOARD FROM THE  
GENERAL FUND**

Amount requested -----	\$264,748
Estimated to be expended in 1957-58 Fiscal Year-----	288,088
Decrease (8.1 percent)-----	\$23,340

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages-----	\$3,609	\$3,609	--	622 63
Operating expense -----	—29,140	—29,140	--	623 13
Equipment -----	2,191	2,191	--	623 15
Total increase -----	—\$23,340	—\$23,340	--	

**RECOMMENDED REDUCTIONS**

Reduction in budgeted increases-----	\$10,000
Improved efficiency and policy reappraisal-----	None
Total reductions -----	\$10,000

**Colorado River Board—Continued**  
**GENERAL SUMMARY**

The Colorado River Board was created by Chapter 838, Statutes of 1937, to protect California's rights to Colorado River water. The board and its staff collects, compiles, and analyzes engineering and legal data on utilization of the waters of the Colorado River System within and without the State; appears before congressional committees and interested federal agencies; and confers with representatives of other Colorado River Basin states regarding legislation and developments affecting California's rights and interests. At present, the board is active in the case of *Arizona v. California*.

**ANALYSIS**

The proposed 1958-59 Budget request of \$264,748 is \$23,340 less than the appropriation for the current fiscal year. This reduction is attributable to anticipation of a diminishing level of activities and expenditures related to the case of *Arizona v. California* and to previous overappropriations. Our analysis pointed out last year that in the Fiscal Year 1954-55 the board was unable to expend \$26,000 of its available funds and that in 1955-56 \$30,000 remained unexpended. The present budget indicates that last fiscal year the board had an unexpended balance of \$36,146 and that this year an estimated \$2,835 will remain unexpended. This latter amount will undoubtedly increase before the current fiscal year is completed. It is evident that the board and the Department of Finance have generally requested more than ample funds. There is no indication of change in this practice in the proposed 1958-59 Budget request. *It is, therefore, recommended that the board's appropriation be reduced by \$10,000 to compensate in part for this excessive budgeting.*

Our budget analysis last year recommended that the board make a thorough review of its activities and fiscal needs reflecting a termination in the case of *Arizona v. California* and we renew this recommendation this year, inasmuch as the information has not as yet been submitted.

**Department of Water Resources**

**CALIFORNIA-NEVADA INTERSTATE COMPACT COMMISSION**

ITEM 259 of the Budget Bill

Budget page 625

**FOR SUPPORT OF CALIFORNIA-NEVADA INTERSTATE COMPACT COMMISSION FROM THE GENERAL FUND**

Amount requested .....	\$118,600
Estimated to be expended in 1957-58 Fiscal Year .....	87,327
Increase (35.8 percent) .....	\$31,273

**RECOMMENDED REDUCTIONS**

Reduction in budgeted increases .....	\$12,000
Improved efficiency and policy reappraisal .....	None
Total reductions .....	\$12,000

**GENERAL SUMMARY**

The California-Nevada Interstate Compact Commission was established by Chapter 1810, Statutes of 1955. The commission is directed



**California-Nevada Interstate Compact Commission—Continued**

to co-operate with a similar commission representing Nevada in negotiating an interstate compact covering the distribution and use of the waters of Lake Tahoe, and the Truckee, Carson and Walker Rivers. The commission began its work in November of 1955 and regular meetings have been held with the Nevada commission.

**ANALYSIS**

The commission has established a program which is designed to develop answers and eventual agreement with its Nevada counterpart on a number of very complex problems. Included among these is negotiating settlements in several water rights court cases; determining the amount of water originating in California which is available for proposed projects; generally determining the future water needs of California from the subject rivers; studying problems of pollution, fisheries, wildlife and recreation at Lake Tahoe and along the subject rivers; and studying the problem of maintaining the elevation of Lake Tahoe.

The commission's program for Fiscal Year 1958-59 involves a higher level of activity than during the current year. Further operation studies, category III project planning reports, studies of the ability of lands to repay irrigation charges, and evaluations of recreational and fisheries potentials are to be carried on by the Department of Water Resources under contract with the commission.

The commission staff indicates that the budget request for consultant fees amounting to \$12,000 is for a public opinion survey of property owners at Lake Tahoe in order to ascertain their views and to permit the commission to have concrete evidence of the property owners' wishes in negotiating with the State of Nevada on the complex problems of the water level of Lake Tahoe. The commission is particularly interested in protecting the public interest and securing the opinions of all property owners in the Lake Tahoe area. The commission doubts that the public hearing which it held recently was a true reflection of the attitude of all the property owners.

Customarily a public hearing is relied upon to protect the interests of the general public and it is assumed that those who do not appear at a public hearing have no particular point of view to express or are disinterested. There is no assurance that a public opinion poll in this case will provide any information not now available, even should it be found that such a public opinion poll is a proper function of government in these circumstances. If public attitudes on the problems involved are not made known to the satisfaction of the commission, the commission might delay a decision until a public hearing will bring forth representative expressions of attitudes from all parties, or it could choose to protect and preserve the public interest in future recreational use of the Lake Tahoe area by making its own findings of public interest. *We recommend that the \$12,000 request be disallowed on the basis of insufficient need and questionable expenditure of public funds.*

**Department of Water Resources**  
**RECLAMATION BOARD**

ITEM 260 of the Budget Bill

Budget page 620

**FOR SUPPORT OF RECLAMATION BOARD FROM THE  
GENERAL FUND**

Amount requested -----	\$345,000
Estimated to be expended in 1957-58 Fiscal Year -----	270,167
Increase (27.7 percent) -----	<u>\$74,833</u>

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Workload or salary adjustments	New services		
Salaries and wages -----	\$47,326	\$47,326	--	621	26
Operating expense -----	67,251	67,251	--	621	38
Equipment -----	—893	—893	--	621	40
Less increased charges to Capital Outlay projects -----	—38,851	—38,851	--	621	43
Total increase -----	<u>\$74,833</u>	<u>\$74,833</u>			

**RECOMMENDED REDUCTIONS**

Reduction in budgeted increases -----	\$20,000
Improved efficiency and policy reappraisal -----	None
Total reductions -----	<u>\$20,000</u>

**GENERAL SUMMARY**

The Reclamation Board co-operates with the U. S. Corps of Engineers in the construction of flood control projects by the acquisition of rights-of-way for such projects; acts as the governing body for the Sacramento and San Joaquin Drainage District; issues permits for local construction on, or impairment of levee systems and flood channels; fulfills such construction obligations as have been assumed by the State in its agreement with the Federal Government; and is responsible for the construction of the State's San Joaquin River Project.

**ANALYSIS**

The budget request for the Reclamation Board shows an increase of \$74,833. The actual increase is \$113,684. The appearance of a lesser increase is, once again, the result of charging certain costs to Capital Outlay rather than to Support. Insofar as this practice gives an incorrect picture of the agency's budget, and because it serves no useful purpose, since all of the funds involved are derived from the General Fund, *it is recommended that this financial adjustment be discontinued.*

This budget request of the Reclamation Board contains the largest increase in recent years. This increase is largely justified by the expanded workload in the Federal Flood Control construction program and by the expenses which the State will incur in the defense of damage claims filed against the State as a result of the floods of December, 1955. Although the budget does not show past expenditures, the Reclamation Board, to date, has encumbered more than \$75,000 for the preparation of the State's defense in these damage claims. This money is being charged to the Flood Control Fund of 1946. In our opinion,

**Reclamation Board—Continued**

the Flood Control Fund of 1946 was set up to pay for the costs assumed by the State for lands, easements, and rights-of-way in federal flood control projects and is entirely unrelated to the defense of flood damage suits. It is our understanding that the justification for making these charges against the Flood Control Fund of 1946 is that the suits involve "inverse condemnation." This is also the point of law under which the flood damage claims are being filed against the State. We find it illogical to use the theory of the plaintiffs in the suits against the State to justify the financing of the State's cost in the State's defense, which defense is a denial of the plaintiff's theory. We, therefore, feel that the funds should have been taken from the Emergency Fund and that the expenditures from the Flood Control Fund of 1946 are without authority, appropriation, or justification. Further evidence of this is indicated by the decision in this budget to ask for a \$50,000 appropriation from the General Fund to the Reclamation Board for the specific purpose of continuing preparation of State's defense in these suits.

In addition to the increase of \$50,000 for the defense of flood damage claims, six new positions are being requested by the board which are related to expanded workload and backlogs which the Reclamation Board has. Part of this expanded workload is a result of the work now getting under way on the Middle Creek project in Lake County. In the Capital Outlay section, this analysis recommends that no further funds be appropriated for the Middle Creek project in view of the lack of adequate justification for the large new additional costs which now appear to be required. If the Legislature chooses to follow the recommendation of this analysis and terminate work on the Middle Creek project, two of the new positions requested by the Reclamation Board and approximately \$10,000 in travel may be saved. *We therefore recommend, in addition to the elimination of the Middle Creek project, that \$20,000 be removed from the Reclamation Board's budget request.* We further recommend that the following language be placed in the budget bill to limit the authority to establish the four remaining new positions in the event of an anticipated reduction in the federal flood control program, "provided that no new positions shall be established unless the Congress appropriates funds during Fiscal Year 1958-59 at approximately the same level as in Fiscal Year 1957-58."

**Department of Water Resources****WATER POLLUTION CONTROL BOARD**

ITEM 261 of the Budget Bill

Budget page 626

**FOR SUPPORT OF WATER POLLUTION CONTROL BOARD FROM THE GENERAL FUND**

Amount requested .....	\$746,112
Estimated to be expended in 1957-58 Fiscal Year .....	664,487
Increase (12.3 percent) .....	\$81,625

## Water Pollution Control Board—Continued

## Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages -----	\$6,604	\$6,604	--	628 24
Operating expense -----	72,292	72,292	--	628 26
Equipment -----	2,729	2,729	--	628 28
Total increase -----	\$81,625	\$81,625	--	

RECOMMENDED REDUCTIONS----- None

## GENERAL SUMMARY

The State Water Pollution Control Board formulates statewide policy for the control of water pollution; gathers, compiles, and disseminates data; and administers a program of financial assistance for water pollution control. The board consists of the following membership: the directors of the Departments of Public Health, Agriculture, Fish and Game, Natural Resources, and Water Resources, and nine appointee representatives of the regions of the State and of various interests concerned with water pollution problems.

The State is divided into nine water pollution control regions which were established by the basic legislation. The governing policy-forming board of each region consists of five members appointed from within the region by the Governor. These boards co-ordinate programs of abatement and prevention of water pollution within their areas, recommend projects for financial assistance, and prescribe waste discharge requirements.

## ANALYSIS

The requested appropriation for the Water Pollution Control Board is an increase of \$81,625 over that expended during the current year. Other than for minor routine adjustments, the major increase requested is for field and laboratory services by other agencies. An increase of almost \$70,000 is being requested in field and laboratory services by other agencies consisting of \$8,000 for a study of the Salton Sea, \$20,000 to undertake work in the San Francisco Bay and approximately \$12,000 to start a study of the Sacramento River. The remaining \$30,000 is primarily for specialized monitoring and testing of waste discharges. This increase in the board's budget represents a major scaling down of several large projects which the board had considered for next fiscal year. It is our feeling that this increase is justified in order that some work may be done on several important new studies.

Insofar as the increase in the board's monitoring program is concerned, six new positions were authorized last year to monitor waste discharges by visual inspection and field testing. The increase requested next year for monitoring purposes covers more technical analysis of waste discharges which require laboratory facilities. Within the last few months the emphasis on the monitoring program has shifted from monitoring by the State to a greater assumption of monitoring responsibilities by local agencies. We strongly recommend a further advance in this direction and call the attention of the Legislature and the

**Water Pollution Control Board—Continued**

regional boards to Section 13052 (c) and (i), as well as Section 13055 of the Water Code, which appears to contemplate local monitoring and reporting to the regional boards. Since the responsibility to provide adequate sewerage facilities is a local responsibility, it is logical that the responsibility to monitor and operate such facilities in accordance with the waste discharge requirements specified by the regional board is also a local responsibility. A strong indication of legislative intent in this regard would assist the board in securing more local assumption of this responsibility. With such an indication of legislative intent, it is hoped in future years that the monitoring program conducted by the State may actually be reduced.

Our analysis last year recommended a study "to examine the overall structure of the agency to determine if, in the light of the past six years, it is performing its activities with the minimum expenditure of funds. In this respect, there is room for serious doubt. Without questioning the regional concept of water pollution control, it appears doubtful that there is sufficient workload in all nine regional offices to justify the present field structure. It seems almost certain that about half the cost of the Indio and Bishop offices could be saved by establishing fewer and larger regional offices. In fact, it may be possible to achieve even further economies. \* \* \* It is recommended, therefore, that the Water Pollution Control Board be directed to survey its field organization and to report back in its next budget on" certain specified problems. This recommendation was accepted by the state board and by the Department of Finance. To date, no action has been taken. Insofar as this analysis is concerned, *the recommendation is as valid now as last year and we, therefore, renew our recommendation for such a study.*

**Department of Water Resources****STATE WATER RIGHTS BOARD**

ITEM 262 of the Budget Bill

Budget page 618

**FOR SUPPORT OF STATE WATER RIGHTS BOARD FROM THE  
GENERAL FUND**

Amount requested .....	\$710,614
Estimated to be expended in 1957-58 Fiscal Year .....	620,503
Increase (14.5 percent) .....	\$90,111

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages .....	\$72,973	\$72,973	--	619 16
Operating expense .....	17,044	17,044	--	619 30
Equipment .....	—5,906	—5,906	--	619 32
Plus increased reimbursements .....	6,000	6,000	--	619 35
Total increase .....	\$90,111	\$90,111	--	

State Water Rights Board—Continued

RECOMMENDED REDUCTIONS

Reduction in budgeted increases .....	\$4,000
Improved efficiency and policy reappraisal .....	None
Total reductions .....	\$4,000

Summary of Reductions

	Amount	Budget Page	Line
Operating expenses			
Reduce traveling—in-state .....	\$4,000	619	22

GENERAL SUMMARY

The State Water Rights Board is a new agency established by Chapter 52, First Extraordinary Session of 1956. This year it appears in the budget for the second time. The board's responsibilities and duties are: (1) administration of appropriation of unappropriated water through the application, permit and license procedure; (2) assistance in adjudication of water rights through court references and statutory adjudication; and (3) administration of the recordation of certain data on ground water extractions in Southern California as provided by the Legislature in the 1955 General Session. The board is composed of an engineer, an attorney and a lay member. The board's principal activity is to conduct hearings and to decide conflicting applications for permits to appropriate water.

ANALYSIS

This budget request for the State Water Rights Board continues a buildup of the staff which was started a year and one-half ago with the organization of the board as an independent agency. As was pointed out in this analysis last year, the board has taken a fresh look at the problems confronting it and is in the process of substantial revision in the agency's program and staffing in order to cope with its problems. The State's water rights activities are currently undergoing major revisions which reflect changes in the problems confronting the board, in the physical conditions surrounding the appropriation of unappropriated water, and in the political and economic environment in which the board operates.

The board, in its annual report for last fiscal year, has stated some of its program objectives, such as emphasis upon disposing of a number of complex conflicting applications, the adoption of a policy to retain jurisdiction over applications for permits when insufficient data is available to make a definitive decision, cancellation of permits where diligence or beneficial use is not shown and, finally, the practice of making field inspections wherever applications for appropriation may result in conflicts, or where there is a question of the availability of unappropriated water. These new program objectives which the board has been developing during the past year and a half are costing the State more money and during the future years will build up in workload and cost. We wish to point out to the Legislature that increased cost will inevitably result from the present practices and that the board's policies will lead, in due course, to significant, evolutionary changes in the concept of water rights and their administration in California. We feel that the general trend being followed by the board in

**State Water Rights Board—Continued**

its program objectives is in the public interest and that the board is making satisfactory progress in resolving these problems. Insofar as the element of additional state cost is concerned, our only suggestion at this time is that all concerned should be cautious that the State assumes no responsibility for costs which can reasonably and properly be borne by applicants for permits or holders of vested water rights.

This year's budget request by the board represents improvement in many respects over the budget submitted last year. This improvement is due, in part, to experience of the board and its staff, as well as the attention which the Department of Finance has given to the board's problems.

The State Water Rights Board is requesting an increase of \$90,111 for the next fiscal year. This increase is almost exclusively related to 11 new positions being requested. These positions round out the organization of the board's staff and take care of workload increases and program adjustments. While the increase requested is a substantial one, the work of the board is of considerable importance to the State and to water resources development in the State. It is our feeling that these new positions should be allowed but that they also represent a staffing level which should, during the next year, show some stability and which should be reasonably close to the board's staffing requirements for the next few years because the board is presently attempting to reduce its backlog of work and as this backlog is eliminated, the natural increase in workload should compensate for the elimination of the backlog.

Last year our analysis raised a number of questions regarding the board's budget request. These questions have been largely resolved except for one matter. It is still the practice for certain board members to maintain their designated residences away from Sacramento. This results in additional travel cost for the State, as well as making these officials less available at the agency headquarters than would be the case if these officials had travel headquarters at the agency headquarters in Sacramento. *We, therefore, again recommend a reduction in the board's in-state travel of \$4,000 to eliminate this practice.* The Department of Finance agreed in the course of committee hearings at the 1957 General Session that it would study the board's travel problem but, to date, no change is apparent.

The Legislature directed the Department of Finance to report any diversion of salary savings during the current fiscal year for purposes not provided in the board's budget. The board and the Department of Finance have established an associate engineering geologist position which we feel falls within this directive. We have reviewed this position and feel that the position is justified; however, we wish to point out to the Legislature that this position was established because the board's policy is to secure such specialized positions whenever workload warrants. Thus, in the future, this policy may result in requests from the board for such positions as, for example, a fishery biologist, a recreational specialist, electrical engineers, etc.