



California drought water cuts may cost localities

Nick Zaiac

September 10, 2015

Amid California's devastating drought Jerry Brown laid out a strict mandate to cut urban water use by 25 percent earlier this summer. This comes despite the fact that agricultural use accounts for [80 percent](#) of water used in the state, and this water is [highly subsidized](#).

Last week, the LA Times [reported](#) that these water cuts in California have had a number of unintended consequences. Among these are foul smells, sewer blockages, and, most troublingly, increasingly leaky sewer mains. Leaky sewers are a problem for California municipalities. They are expensive to replace, and California's cities are already pressed for cash to pay for pension obligations, and increasingly-costly basic services. Put simply, the drought is causing pipe deterioration, and the money to fix the sewers isn't forthcoming.

The root cause of this problem stems from the way water is managed in California, and the government's reaction when water is scarce. As noted above, the vast majority of the state's water is used in agriculture. The remaining water is used for urban consumption, tap water in homes and businesses. Agricultural users receive a variety of subsidies which encourage inefficient water use and the planting of too many acres of irrigation-requiring crops in areas that are simply too dry to plant.

Add to that the fact that water is not particularly easy to buy and sell in California. Most of the state's water rights are held by farmers who have a hard time selling the rights to urban users. This locks water into suboptimal uses, like farming dry, marginal lands, rather than flowing to [higher valued](#) uses like residential consumption.

This is less of a problem when water is plentiful. When water is scarce, cuts must come from somewhere, either agriculture through fewer acres planted or more efficient irrigation, or from residential consumers through cuts in everyday water usage. The former hurts agricultural business users, while the latter harms urban consumer users. Someone will be forced to bear the burden; the question is simply "who?".

Agricultural users seem like the best candidates to soak up the cost of more scarce, more costly, water. Subsidies encourage both over-consumption and inefficiency in water use. It should be farmers who undertake projects to make their farms more water efficient when drought hits. This costs money, but it's hard to weep for the bottom line of [wealthy](#) agricultural interests. The ones

best in position to make California water use more efficient are those whose livelihoods depend on using what water they own as efficiently as possible.

Compare this to urban water consumers. Cutting residential water usage means small cuts by millions of people. Shorter showers, less toilet flushing, bans on watering of lawns, and other such actions. While they seem simple, they are not costless when we acknowledge that an important piece of ubiquitous, expensive infrastructure, sewer pipes, rely on minimal water flows to prevent corrosion and premature leaks. If these leaks happen because of low sewer flows, municipalities will have no choice but to pay for replacement pipes, or render parts of their city without wastewater service. Towns and cities across America are struggling with replacing important pieces of equipment like [fire engines](#), saying nothing about pension obligations and other fiscal pressures. It is entirely unrealistic to think they'll be able to afford all new pipes if drought water cuts cause them to leak. So, subsidized agricultural water can actually have an adverse effect on city budgets in purely urban regions, like the Los Angeles metropolitan area, and fixing the way water is allocated is a fiscal imperative for California cities.

Drought can be a devastating thing when it strikes. Water is a necessity both for urban living, and rural business, and when it is scarce, the quantity consumed must fall. Because of the subsidized nature of agricultural water, and the harm done by residential water cuts, it only makes sense that California's agricultural users to be the ones who must adapt. After all, it's their livelihoods on the line, and if anyone knows how to stretch the most value out of every drop, it is them.