

Statement of
Lester A. Snow
Director
California Department of Water Resources
Before the U. S. House of Representatives
Committee on Resources
Subcommittee on Water and Power
Concerning “Federal Response to the California Drought Emergency”
July 21, 2008

Chairwoman Napolitano and members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss California’s drought and the necessary actions to reduce current impacts and prepare for a dry 2009.

Introduction

California is experiencing its second dry year in a row. On June 4, 2008 Governor Schwarzenegger, in recognition of deteriorating statewide water supply conditions, issued an Executive Order declaring a statewide drought. Also in the Executive Order, the Governor describes current conditions and the urgent need for action to reduce drought impacts. The drought has created numerous problems of statewide and national concern, including extreme fire danger due to dry conditions, economic harm to urban and rural communities, loss of crops and the potential to degrade water quality in some regions.

Current Conditions

California is facing the most significant water crisis in its history. After experiencing two years of drought and the driest spring in recorded history, water reserves are extremely low. With the Sacramento-San Joaquin Delta ecosystem near collapse, court-ordered restrictions on water deliveries from the Delta have reduced supplies from the state's two largest water systems by 20 to 30 percent. A third dry year in 2009 could bring devastating consequences to California’s economy.

Snowpack and Water Content

The Department of Water Resources’ (DWR) final snow survey of 2008 showed snowpack water content at only 67 percent of normal and the runoff forecast at only 55 percent of normal. As conditions continue to worsen across California, it

underscores the state's need for infrastructure improvements to capture excess water in wet years to use in dry years like this one.

Precipitation

Statewide rainfall has been below normal in 2007 and 2008, with many Southern California communities receiving only 20 percent of normal rainfall in 2007. This March, April, May, June collectively represented the driest four month spring on record for Sacramento, San Francisco, the Sierra 8-station index (critical indicator for water supply) and Bakersfield.

Runoff

California is experiencing critically dry water conditions in the Sacramento and San Joaquin River basins and the statewide runoff forecast for 2008 is estimated to be 42 percent below average.

Pumping Restrictions

Diversions from the Sacramento-San Joaquin River Delta for the State Water Project (SWP) and federal Central Valley Project (CVP) are being greatly restricted due to various factors including federal court actions to protect fish species, resulting in estimated SWP deliveries of only 35 percent, and CVP deliveries of only 40 percent, of local agencies' requested amounts for 2008.

Reservoir Conditions

Currently, state reservoirs stand at about 75% of average for this time of year. Folsom stands at 42% of capacity, with boats being pulled, Shasta 48% of capacity, and Lake Oroville, the state water project's reservoir is at 40% of capacity. By the end of this year, Lake Oroville will reach its lowest carryover storage since the drought of 1977. Reservoirs are projected to fall to about 70% of statewide average by the end of the water year.

Colorado River Supplies

The Colorado River Basin has just experienced a record eight-year drought resulting in current reservoir storage throughout the river system reduced to just over 50 percent of total storage capacity.

Statewide Impacts

According to the California Department of Food and Agriculture, based on data recently gathered from county agricultural commissioners, statewide crop losses have totaled \$245.3 million dollars this year to date, with rangeland and cotton representing more than half of the total losses.

A number of local water districts have responded to reduced supply and uncertain future conditions by instituting drought alerts, odd/even day watering schedules, adopting water surcharges and even mandatory rationing in some areas. Detailed up-to-date information regarding local water supply impacts is

available from the Association of California Water Agency's website (http://www.acwa.com/issues/drought2008/water_supply_conditions.asp).

Ongoing Drought Response

After his June 4th drought declaration, Governor Schwarzenegger took immediate action in response to Fresno, Kern and eight other California counties' requests for drought assistance. On June 12 he issued an emergency proclamation which directed DWR to do the following:

- Facilitate water transfers to respond to emergency shortages across the state.
- Work with local water districts and agencies to improve local coordination.
- Help local water districts and agencies improve water efficiency and conservation.
- Coordinate with other state and federal agencies and departments to assist water suppliers, identify risks to water supply and help farmers suffering losses.
- Expedite existing grant programs to help local water districts and agencies conserve.

In response to these requests, DWR has initiated the following actions:

DWR is currently transferring up to 50,000 acre feet of groundwater through the State Water Project (SWP) to alleviate drought impacts. This water, which is being carefully monitored to meet water quality requirements, comes from wells in the Westlands Water District and will be moved to other parts of the Westlands service area that do not have groundwater access.

Additionally, DWR is lending 37,500 acre feet of water to federal Central Valley Project (CVP) contractors out of San Luis Reservoir south of the Delta. An additional 25,000 acre feet is being made available by Metropolitan Water District of Southern California for the benefit of both CVP and SWP contractors.

Furthermore, DWR is expediting \$12 million in grants to water agencies and non-profit organizations and working with local agencies on an aggressive water conservation and outreach campaign.

Drought 2009 Preparation

While it has been important to implement actions to provide drought relief this summer, preparing now for the potential of a third consecutive dry year in 2009 is

critical. 2009 has the potential to be the worst drought year on record. Drought conditions at the beginning of the new water year, on October 1st, are expected to be severe. The state's water supply reservoirs will be critically low. Lake Oroville, at the headwaters of the State Water Project, is projected to reach an all time low for carryover storage by the end of 2008. Groundwater basins will be depleted as a result of extensive use for the last two years. It is expected that initial state and federal water contract allocations will be extremely low.

DWR is implementing a number of actions now in preparation for a potentially dry 2009.

- DWR has appointed a Statewide Drought Coordinator to ensure collaboration across the department and to coordinate with all interested and affected local agencies.
- DWR has developed a drought portal on the internet which will provide links to information on water and weather conditions, drought impacts and drought assistance.
- On July 18, the first in a series of interactive webcasts on drought was co-sponsored by DWR, the Association of California Water Agencies, and the California Water Awareness Campaign. These webcasts are intended to provide information and assistance to water agencies and the public on how to conserve water and deal with the drought.
- DWR has updated its Urban Drought Guidebook. This 208-page document provides technical assistance to local water suppliers on how to prepare for and respond to drought conditions. In September DWR staff will be traveling around the state to meet with water agencies and provide advice and assistance in dealing with the drought.
- In November of this year DWR will convene a panel of climate scientists to evaluate future weather conditions and provide a best estimate of 2009 water conditions.
- DWR has begun planning for a dry year water purchase program and/or drought water bank. Initial meetings will be held over the next few weeks to get stakeholder input. Draft guidelines and options for how the program would be operated are expected to be available in early August.

Climate Change

Climate change is already affecting California's water resources and has made existing water challenges related to both infrastructure and ecosystem even worse. Climate change will increasingly impact California's hydrology and is expected to reduce snowpack, alter the timing of runoff and increase the intensity

and frequency of both storms and droughts in the western United States. This means that the water past can no longer be relied upon to predict the water future. We must plan for worsening conditions by investing in long-term solutions which include increased water storage, improved regional water supply self-sufficiency (through water-recycling, conservation and other activities), a sustainable Delta ecosystem and improved Delta conveyance.

DWR has conducted extensive climate modeling work in order to determine impacts to water resources. The results of this modeling can be found in the 2006 technical report "Progress on Incorporating Climate Change into Management of California's Water Resources." A policy white paper with climate adaptation strategies for water management is currently under development by DWR staff and will be released this fall.

In addition to climate adaptation work, DWR is also actively engaged in the Governor's Climate Action Team, which is tasked with developing greenhouse gas (GHG) reduction strategies in accordance with the 2006 Global Warming Solutions Act (AB 32). In coordination with the State Water Resources Control Board, DWR co-leads a sub-group on water and energy and in coordination with other state agencies has developed a list of strategies that will reduce GHG emissions for water and energy. These strategies will increase water use efficiency, water recycling, and the percentage of renewable energy used to power water systems.

Governor Schwarzenegger's and Senator Feinstein's Water Bond Proposal (Summary and Joint Letter to Legislative Leadership Attached)

The economic cost of California's uncertain water supplies is significant. Farmers and their employees are on the front lines of water-related economic impacts, and now building permits are also being delayed in urban areas as a direct result of water supply uncertainty. California's population is growing at a rapid rate, but investment in statewide water infrastructure has fallen far behind. Environmental deterioration in the Delta has further compromised California's water supply reliability.

Last week Governor Schwarzenegger and Senator Feinstein jointly proposed a \$9.3 billion bond proposal that is a compromise approach that will move California toward a reliable water future. The proposal includes funding for the following elements:

- Integrated Regional Water Management
- Increasing California's water storage
- Groundwater protection and water quality projects
- Restoration of the Delta to stabilize water supply and ecosystem health
- Increased water conservation and tools to use water more efficiently
- Restoration of other key California water systems including Klamath River, Sacramento River, San Joaquin River and the Salton Sea

Conclusion

Chairwoman and members of the Subcommittee, let me again express my sincere gratitude for your engagement on the critical topics of California's current drought and ongoing water supply crisis. Your support of state activities to reduce impacts and ensure reliable future supplies is crucial to the long-term prosperity of the state and its residents.



July 10, 2008

The Honorable Karen Bass
Speaker
California State Assembly
State Capitol
Post Office Box 942849
Sacramento, California 94249-0046

The Honorable Michael Villines
Republican Leader
California State Assembly
State Capitol
Room 3104
Sacramento, California 94249-0029

The Honorable Don Perata
President pro Tempore
California State Senate
State Capitol
Room 205
Sacramento, California 95814

The Honorable Dave Cogdill
Republican Leader
California State Senate
State Capitol
Room 305
Sacramento, California 95814

Dear Speaker Bass, Senator Perata, Mr. Villines and Senator Cogdill,

California is facing the most significant water crisis in its history. We are experiencing the second year of drought conditions, accentuated by the driest spring ever recorded. Water reserves are extremely low and would not be able to meet public demand during a major disruption to the state's water delivery system such as an earthquake or levee breach. Court-ordered restrictions on water deliveries from the Sacramento-San Joaquin Delta have reduced supplies from the state's two largest water systems by 20-30 percent. With the Delta ecosystem near collapse, the Colorado River Basin in recent drought and the Sierra snowpack now dangerously unreliable due to global warming, many communities throughout California are facing mandatory restrictions on water use and/or rising water bills. If the drought continues into next year, the results could be catastrophic to our economy.

The current wildfires in California are the most menacing result of California's dry conditions. More than 680,000 acres have burned in the past month alone, more than 10 times greater than the 63,000 that had burned by this time last year.

The economic cost of the growing uncertainty around California's water supplies is significant. Farmers are fallowing prime agricultural lands, building permits have been put on hold and thousands of jobs in both urban and rural areas are being lost due to a lack of reliable water supplies. Finally, California's population is growing rapidly, but our statewide water system has not been significantly improved in three decades. Clearly, our water supply infrastructure is in a state of crisis.

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The crisis is no less severe for our fisheries and critical environmental resources. In two of the past three years, our once-thriving Pacific salmon fisheries have been simply shut down as former salmon strongholds throughout the state have become dangerously imperiled. The populations of Delta smelt and other native Delta fish have collapsed to tiny fractions of their former levels. Threats from aquatic invasive species, toxic discharges and pesticides abound. Restoring our fisheries and our riparian ecosystems in the face of all these challenges will require bold action.

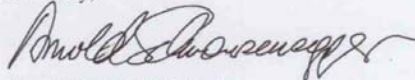
We believe that now is the time to update the state's water infrastructure in order to restore a stable water supply and save our fisheries and rivers. For the past 18 months, we have worked together with you and environmental and agricultural interests, business and labor leaders and urban and rural communities in an attempt to develop a water infrastructure investment bond to put before California voters this year. All of these efforts have recognized the need for a comprehensive water management strategy, and all of these efforts have had a great commonality of approach to ensure a clean and reliable water supply and healthy ecosystem for the future of California. However, an agreement has eluded us.

The remaining issues of concern are important, but we believe they are not insurmountable. In the spirit of cooperation and bipartisanship, we respectfully submit the attached proposal as a compromise water bond package for your consideration. We believe it is imperative that a comprehensive water infrastructure bond measure be placed on the November 2008 election ballot. We cannot afford to wait any longer.

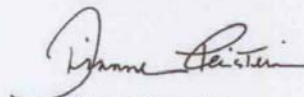
In developing this proposal, we have listened carefully to legislative leaders and the many diverse stakeholders who have worked on this issue over the past 18 months. We have built upon the areas of general agreement and tried to find common ground to resolve the remaining differences. Most importantly, this package acknowledges the need to move swiftly to modernize our water supply systems in ways that safeguard and heal the Sacramento-San Joaquin Delta and other ecosystems, restore habitat, expand surface and groundwater storage, improve conveyance, maintain and restore water quality, promote water recycling and use water resources more efficiently.

We jointly pledge our commitment to work with you to submit a comprehensive water bond to the voters this November and to campaign to ensure its passage.

Sincerely,



Arnold Schwarzenegger
Governor



Dianne Feinstein
Senator

Attachment