

Statement of

**Lester Snow
Director**

California Department of Water Resources

**Before the U. S. House of Representatives
Committee on Resources
Subcommittee on Water and Power**

**Concerning “The Immediate Federal and State Role in Addressing
Uncertain Water Deliveries for California and the Impacts on California
Communities”**

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Subcommittee Chairwoman Napolitano and members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss the uncertainties facing California’s water supply reliability, and the opportunities for action by both the state and federal government.

Background

There has never been broader consensus that the Sacramento-San Joaquin Delta (Delta), the lifeblood of California’s water supply system and an ecosystem of unparalleled importance, is in crisis. The Delta is a unique environmental resource that is home to approximately 750 plant and animal species. Its levees protect over 500,000 acres of low-lying farmland and contain 700 miles of channels that offer recreational opportunities to the nearby cities of the bay area and the central valley. The Delta also contains critical infrastructure including state highways, railroads, pipelines carrying water supplies and petroleum products, natural gas well fields, and gas storage facilities. All of these functions are jeopardized by a host of factors that threaten Delta sustainability:

- A decline in native species
- Subsidence of Delta islands, which increases the strain on levees
- Seismic instability and the resulting threat to levees
- An increase in invasive species
- Climate change impacts, including an increase in peak river flows, rising sea levels, and a reduction in Sierra snowpack
- The presence of toxics

The recent federal court ruling on the Delta smelt underscores the need for action in the Delta. As we are repeatedly reminded, the Delta ecosystem continues on a downward trajectory that threatens California's water supply reliability.

As you know, Governor Arnold Schwarzenegger has long been an advocate for both Delta ecosystem health and improved water supply reliability for California and he remains committed to fixing the Delta. His support for California Proposition 84 ("The Water Quality, Safety and Supply, Flood Control, Natural Resource Protection, Park Improvements Bond") yielded a precedent-setting \$1 billion in funding for Integrated Regional Water Management (IRWM).

Governor Schwarzenegger initiated the Delta Vision Blue Ribbon Task Force in a 2006 Executive Order in which he charged the Task Force with the development of a "Delta Vision" to provide a sustainable management program for the Delta. The Delta Vision was recently submitted to the governor and a strategic implementation plan is expected in October 2008. Furthermore, in the latest phase of his Strategic Growth Plan for California, Governor Schwarzenegger proposed a total of \$11.9 billion in general obligation bonds to support comprehensive investment in California's water future. The proposal consists of the following parts:

- \$3.5 billion to develop additional storage, which, when combined with the Regional Water Management investments of Proposition 84 and the flood system improvements of Proposition 1E, will help to offset the climate change impacts of reduced snow pack and higher flood flows.
- \$2.4 billion toward implementing a sustainable resource management plan for the Delta consistent with the Bay Delta Conservation Plan currently in development and the findings of the Delta Blue Ribbon Task Force.
- \$1.1 billion for water resources stewardship, including funding for Klamath River restoration, Salton Sea restoration, restoration actions on the San Joaquin River, and money to supplement successful restoration projects on the Sacramento River and its tributaries, as well as in the Delta.
- \$3.1 billion to promote water conservation.
- \$1.1 billion for water quality improvement. This funding will support efforts to reduce the contamination of groundwater used for drinking water supplies, assist local community wastewater treatment projects, provide grants for storm water management projects, and help protect and improve water quality in areas of special biological significance.

- \$700 million for a variety of other critical water projects, including grants and loans for water recycling projects to enhance regional water self-sufficiency, funding to restore hillsides and areas devastated by fire and to prevent future watershed damage from wildfires and funding to remove fish barriers on key rivers and streams, including removal of obsolete dams.

Fixing the Delta is an incredible challenge, with multiple layers of complexity, and constantly changing conditions. Notwithstanding the immensity of the challenge, California cannot afford to fail. Immediate actions are critical, but a long term, comprehensive water management strategy will be essential to the sustainability of the Delta.

1. What do you see are the respective roles of the federal and state governments and other entities in dealing with the immediate impacts of the recent court order?

Both the state and federal governments need to ensure that critical processes aimed at addressing the crisis in the Delta are expedited and continue as high priority projects. The first is the development of the long-term Operations Criteria and Plan (OCAP) for the Central Valley Project, which is a process that requires the close coordination of both state and federal government entities. The second is the Bay-Delta Conservation Plan (BDCP), an effort which will lead to a Habitat Conservation Plan for the Delta to protect at-risk fish species, specifically related to the reliability of water project operations. In addition to state and federal employees, non-governmental organizations and water contractors are also represented. The third effort is the Pelagic Organism Decline team, an interagency work team whose aim is to identify and evaluate all factors contributing to a sharp decline in Delta fish species.

The state has a role to play in promotion of water conservation goals, as outlined in the 2005 California Water Plan. Additionally, the state has an important role in the continuation of regional water management planning through the funding and administration of the IRWM competitive grant process. IRWM planning can help regions to effectively cope with the immediate impacts of the recent court order, as well as helping them to build self-sufficiency to safeguard against the threat of long-term shortages.

2. How will the state and federal agencies integrate the recommendations of the Delta Vision process with the Bay Delta Conservation Plan and the pending Biological Opinion for the Long-Term Central Valley Project Operations Criteria and Plan?

The Biological Opinion for OCAP will develop near term operating criteria for the Central Valley Project and State Water Project operations in the Delta based on the current configuration of moving water through the Delta. The Delta Vision

process, on the other hand, represents a visioning effort to develop new direction for a sustainable Delta and a strategic plan for implementation of the vision by the end of 2008. The BDCP process, in their development of a conservation plan, is exploring alternative conveyance options in order to protect fish and ensure water supply reliability. The BDCP steering committee has stayed in close coordination with the Delta Vision process and continues to engage in information sharing for the purpose of informing and aligning the two processes.

3. What near-term actions should water providers and water users take to address decreased water availability?

With the passage of Proposition 84 in November of 2006, California voters approved, among other funding, approximately \$1 billion to fund integrated IRWM planning. IRWM is designed to encourage integrated regional strategies for management of water resources that will protect communities from drought, protect and improve water quality and improve local water security by reducing dependence on imported water. The funding will provide targeted water conservation grants to local communities that coordinate the planning of their shared water resources. These investments in water conservation will increase water use efficiency and protect water quality, and will reduce energy use, urban and agricultural runoff, and urban effluent.

IRWM planning, and the diverse portfolio of water management strategies it entails, are the near term actions that regions must embrace in order to begin to adapt to future water condition uncertainty. However, near term actions must be complemented by a long term strategy that includes ecosystem restoration and improved conveyance in the Delta.

4. What impacts do you anticipate from this court order and how will you adapt to these impacts?

DWR has completed its revised operational model to determine water supply impacts from a recent federal court decision on Delta pumping. The model provides a range of impacts on water exports, depending on Delta smelt migration patterns and precipitation. If 2008 is a dry year, State Water Project customers will receive seven to 22 percent less Delta water than would have been available without the court decision. If 2008 is an average water year, exports will be reduced 22 to 30 percent.

This range is consistent with earlier estimates made by DWR following the court's initial ruling in August. Following Judge Wanger's final ruling, DWR performed additional modeling and analysis on the impacts.

The order will primarily affect export pumping between January and June, when juvenile Delta smelt are at greatest risk of entrainment in pumps. The actual impact on water supply will depend on a number of factors including the locations

where adult smelt spawn and offspring hatch, levels of precipitation for the year, and water temperatures affecting how quickly the fish migrate.

The current State Water Project allocations of 25 percent of requested water supply are based on dry year conditions and already account for these reductions. Those allocations may increase depending on precipitation, but will not increase as much as they have in past years due to the court ruling.

Conclusion

Chairwoman Napolitano, I sincerely appreciate your interest in the challenges facing California's water supply reliability, and I urge your continued involvement in this critical matter. The health and stability of the Sacramento-San Joaquin Delta is absolutely essential to the continued economic stability of the state of California, and the nation. Both the state and federal governments are in a critical window of opportunity to address this crisis. We need your support.