

**Statement of Michael L. Connor, Commissioner
Bureau of Reclamation
U.S. Department of the Interior
Before the
Committee on Natural Resources
Subcommittee on Water & Power
U.S. House of Representatives**

**Field Hearing: Perspectives on the California Water Supply: Challenges and Opportunities
Los Angeles, CA
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Madam Chairwoman and members of the subcommittee, my name is Mike Connor, Commissioner of the Bureau of Reclamation. I am pleased to provide the perspectives of the Department of the Interior (Department) on the California water supply as we move into what may prove to be a fourth year of drought in California. I will also address some of the subcommittee's specific interests in water conservation, reuse and recycling.

Last year, the water supply conditions confronting the Bureau of Reclamation (Reclamation) and its customers in California, particularly south of the Delta, brought about one of the most difficult years in our history. This year may prove to be no less severe. Next month, Reclamation's Mid-Pacific Region will announce its initial forecast of agricultural, municipal and industrial water supplies from the Central Valley Project (CVP), which will likely feature very low water allocations. The actual numbers are still being determined by our Central Valley Operations office using the latest snowpack and streamflow data. Here in the Lower Colorado Region, a drought persists on the Colorado River, but all states in the Lower Basin will receive their full apportionments under the Annual Operating Plan (AOP) for the Colorado River which was published by the Department on January 5th.

While there have been more severe droughts, never before has drought fallen upon a state with so large a population, and so many competing uses for its water. At the end of the last California drought, which lasted from 1987 to 1992, California's population was just over 31 million. Today, there are roughly seven million more Californians, all of whom need water and the agricultural production and other economic activities supported by water.

Here in southern California, local governments and agencies like the Metropolitan Water District of Southern California (MWD) have responded by partnering with state and Federal agencies to achieve tremendous reductions in per capita urban water use. For example, the City of Long Beach has reduced its per capita water use from 138 gallons per day in 2000 to 103 gallons per day in September 2009. In addition to this tremendous reduction in water use through conservation, the City of Long Beach announced in September 2009 that water demand was 21 percent below the 10-year average water demand. While market forces and the price of water play a role in this dynamic, the region's inherently dry hydrology has instilled an acute awareness of the value of water and its conservation in an arid region.

One of the Federal programs for water conservation is the Reclamation Wastewater and Groundwater Study and Facilities Act, Title XVI of Public Law 102-575. In southern California, this program has enabled Reclamation to help fund the planning or construction of 26 water

recycling or groundwater projects which at full build out will provide over 391,650 acre-feet of water per year to communities in the greater Southern California coastal areas of Los Angeles, Orange County, San Diego and the Inland Empire. This amount of water is enough to serve the needs of approximately 391,650 five-person households, or approximately 1.96 million people. Before the enactment of the American Recovery and Reinvestment Act (ARRA), Federal investments in Title XVI overall totaled about \$389 million through FY 2009 and resulted in an estimated 245,000 acre-feet of water made available in 2009.

The Title XVI program was established by Congress in 1992 to provide Federal funding of up to 25% of a project's construction costs, with all operations and maintenance funding provided by project sponsors. While the program has provided more than \$392 million in funding for these southern California projects since its inception through fiscal year 2009, including ARRA, the number of Title XVI projects submitted to Reclamation for study and to this subcommittee for authorization continues to expand.

In view of this and the serious water issues facing California, the Obama Administration is taking actions that have brought and continue to bring substantial Federal investment in California's water infrastructure. As referenced above, last year President Obama signed the American Recovery and Reinvestment Act (ARRA). This law has provided an opportunity to fund many of California's water challenges and projects, will help maximize the continued and future delivery of water, and may reduce some of the demand placed on the Bay-Delta. All told, more than \$400 million, roughly 40 percent of Reclamation's ARRA funding, has gone to California projects, significantly more than any other Reclamation state. We are applying this funding to a mix of projects to promote not just traditional water supplies, but also healthy fisheries and habitat projects to recover, sustain, and protect species' ability to reproduce and thrive. We understand our obligation to protect aquatic resources in California together with our state and Federal partners, and we know that the economic impacts of fishing season closures on salmon fishing communities are felt no less severely than in other sectors of the economy.

The Department effectively maximizes the value of its scarce resources for Title XVI projects and complementary programs like Water Conservation Initiative Challenge Grants. Challenge Grants, like Title XVI, leverage non-Federal dollars to effectively and efficiently manage water in communities where the need exists. Whereas Title XVI recycles and reuses otherwise unusable water supplies, Challenge Grants provide incentives for water users to actually use less water than would otherwise be the case. The Department's Water Conservation Initiative, which incorporates Title XVI and Challenge Grants, was a centerpiece of our 2010 budget request, and will be a continuing priority of this Administration going forward. In addition, last summer Reclamation announced 16 awards totaling \$5.6 million as part of the 2009 CALFED Water Use Efficiency Grant Program. Even before the drought struck, Reclamation had been putting significant effort and resources into various initiatives intended to minimize the serious impacts from periods of dry hydrology. Since 2004, Reclamation has awarded over \$40 million in cost-shared financial assistance for 67 projects in California under the competitive Challenge Grant Program referenced above. The improvements resulting from these grants are projected to create or conserve 177,000 acre-feet of water annually for agricultural and urban uses.

Still, concerted efforts at water conservation cannot erase the fact that southern California depends on imported water for the majority of its total annual water supply.¹ The amounts vary depending on the water year type. Using 2004 as a reference, within the MWD service area where we are today, 1.8 million acre-feet came from the State Water Project from the Sacramento/San Joaquin Bay-Delta in the north. Another 700,000 acre feet in 2004 came from the Colorado River to the east. The remainder of the imported supply, roughly 200,000 acre-feet, comes from the Owens Valley. About 1.6 million acre feet, or 38 percent of MWD's overall supply in 2004, came from local supplies, according to MWD's most recent Regional Urban Water Management Plan.

Notwithstanding drought, the Colorado River apportionment to California this year will be the full 4.4 million acre feet, with the potential for some surplus under the Annual Operating Plan (AOP) for the Colorado River. The Quantification Settlement Agreement (QSA), executed by the Secretary of the Interior and other parties in October 2003, was a major milestone on the Colorado River and is important to all who rely on the Colorado River. In short, the numerous Federal and non-Federal agreements reached in 2003 result in a more efficient management of the beneficial use of water in California under the Consolidated Decree in Arizona vs. California and other authorities. The QSA agreements help to ensure that California's long term use of the river is within the State's 4.4 million acre-feet annual apportionment under Federal law.

Validation proceedings relating to certain of the agreements reached in 2003 are currently pending in California state court. These are contested proceedings to which the United States is not a party. The litigation is ongoing in 2010, and the Department does not intend to comment on those proceedings. The Department has valid and binding agreements with the California agencies that are parties to the 2003 Colorado River Water Delivery Agreement and we intend to stand by that agreement.

The importance of the Bay-Delta to Southern California's water supply was starkly evident in 2009. To address the issues associated with restricted water supply and the environmental collapse in the Delta, the Department released an Interim Federal Action Plan (Action Plan) for the California Bay-Delta on December 22, 2009. In this document, this Administration has detailed its plans for a new path forward in the Bay-Delta. Specifically, the Federal government reaffirmed its partnership with the state of California and its commitment to coordinate actions with those of the state. Most important is that Federal agencies are working in concert with the State of California and local authorities in producing the Bay-Delta Conservation Plan (BDCP). The BDCP is the most significant effort currently underway to address critical long-term water issues in California generally and in the Bay-Delta specifically. Consistent with the Action Plan released in December 2009, Federal agencies are bolstering their active participation in partnership with the State and local authorities in the collaborative, long-term Bay-Delta Conservation Plan (BDCP) process.

Simply put, we are committed to work closely with the state of California, our Federal partners, water contractors, and all interested parties to encourage the smarter supply and use of Bay-Delta water. In 2010, we will facilitate final permitting and construction of the Delta-Mendota and California Aqueduct Intertie. The Intertie will be a pipeline and pump station connection

¹ All figures in this paragraph derived from the November 2005 Regional Urban Water Management Plan of the Metropolitan Water District of Southern California, pgs. A2-1, and table A.2-1
http://www.mwdh2o.com/mwdh2o/pages/yourwater/RUWMP/RUWMP_2005.pdf

between the Federal Delta-Mendota Canal and California Aqueduct. Connecting these two facilities will allow greater flexibility in operating pumping systems which each have their own export constraints, and allow for recovery of water between the state and Federal systems. The Intertie's operations are included in the new biological opinions from the U.S. Fish and Wildlife Service and the National Marine Fisheries Service for the Delta. Intertie construction effects on terrestrial species were addressed in a project-specific biological assessment in August 2009. We expect to initiate construction in June of this year, and complete construction in 2011.

Under the Action Plan released in December 2009, we will continue to foster water transfers between willing buyers and willing sellers, improve scientific knowledge of turbidity and Delta smelt, and use results from a pending National Academy of Science study on how to best balance water delivery needs with those of threatened and endangered species. The Federal agencies also will work closely with the state in developing mid and longer-term infrastructure options that can potentially address the chronic conflicts that led the Delta Vision report commissioned by Governor Schwarzenegger to conclude that current water supply strategies are unsustainable in the face of the Bay-Delta ecosystem collapse, climate change impacts and seismic risks.

Finally, we will work together to continue to deliver drought relief funding and ensure integrated flood risk management, including the prioritization of projects and activities for flood risk management and related levee stabilization projects and navigation. The Action Plan features participation from the Department, the Army Corps of Engineers, the Department of Agriculture, the Environmental Protection Agency, the Department of Commerce, and the Council on Environmental Quality.

Of course, groundwater will continue to be an essential water supply for many of California's coastal and inland communities. With the combined impact of the drought and environmental needs, existing groundwater sources are being significantly stressed. Within the Department, the U.S. Geological Survey is actively engaged in expanding the range of information available to water users and policymakers regarding groundwater. The USGS developed the Central Valley Hydrologic Model to assess water resources in the Central Valley, which is an important tool to evaluate the impacts of drought on groundwater conditions. Reclamation has helped fund new USGS work to combine use of the Central Valley Hydrologic Model with new data collection to look specifically at potential subsidence impacts on water-delivery canals. This new hydrologic model can also be used by water managers to address water issues related to conjunctive water use, recognizing the interdependence of surface water supplies and groundwater.

According to the USGS, the San Joaquin Valley, which includes the San Joaquin and Tulare Basins, has experienced large changes in groundwater storage. In the early 1960s, groundwater pumping caused water levels to decline to historic lows on the west side of the San Joaquin Valley, which resulted in large amounts of surface subsidence. In the late 1960s, the surface-water delivery system began to route water from the wetter Sacramento Valley and Delta regions to the drier, more heavily pumped San Joaquin Valley. The surface-water delivery system was fully functional by the early 1970s, resulting in groundwater-level recovery in the northern and western parts of the San Joaquin Valley. Overall, the Tulare Basin portion of the San Joaquin Valley, the hottest and driest part of the Central Valley, is still showing declines in groundwater levels and accompanying depletion of groundwater storage. This fact will affect the overall water supply available to agriculture water users.

Reclamation remains focused on managing, developing, and protecting water and related resources in an environmentally and economically sustainable manner in the best interest of the American public. We know that an emphasis on water conservation is key to the sustainability of the state of California. I am committed to doing all I can to further this mission and, to the best extent possible, meeting the needs of our customers.

Thank you again for this opportunity to testify on this important topic. I would be happy to answer any questions the subcommittee may have.