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California Water Crisis and Its Impacts: The Need for Immediate and Long-Term Solutions

Opening Remarks

I would like to thank the Natural Resources Chairman and Committee Members for taking the time to come to California and hear the concerns and issues surrounding what now is California's third year of drought.

My presentation will cover the drought's current *impacts* on the Oakdale Irrigation District ("OID") and offer a suggested action that should be considered to address both the *immediate* and *long-term* needs of water supply and water reliability.

Impacts of the Drought

Compared to many districts, OID has been less affected by this third year of drought. OID's preparedness is a result of the investment of incredible time and resources preparing for this event. OID has planned, financed and implemented modernization technologies that have allowed itself to be more efficient at delivering water to its farmers. The benefits from that effort and the investments made are visible in times of drought. While OID is not immune to the effects of this third year of drought, the options gained through its investments soften those impacts. OID began its modernization and infrastructure replacement program in 2006; its projected costs were \$168 million back then. OID has spent \$50 million to date and still has a way to go. That planning vision began back in 2003 when the OID Board of Directors voted for OID to embark upon this course.

As a state, California has been less successful at developing a focused plan and investing time and resources to achieve drought preparedness. We are choosing to spend billions of dollars on the lower San Joaquin River Restoration Program to achieve 500 returning Spring Run Salmon, when communities in our valley do not have safe, affordable and reliable drinking water. We have gravitated to choosing to build bullet trains over water storage or water conveyance facilities. The State of California believes we can "restore a delta" to its once-pristine condition simply by taking 35 percent of the unimpaired runoff from our watersheds and sending it out to the ocean. We have taken tens of thousands of acres of the most productive farmland in the world out of production when 25 percent of the American population goes to bed hungry every night. The failure to prioritize, invest and plan leaves

California ill prepared and ill equipped to address the human and financial consequences brought on by this third year of drought.

Immediate and Long Term Solutions

More Reservoir Storage:

Water managers in California support increased storage; whether for urban or agricultural use. However, water storage projects require significant investment, planning, and long-term reliability. Storage projects are useless if the State of California, through the State Water Resources Control Board, is focused upon taking more water out of existing storage and sending it to the ocean.

Currently, 47 percent of the State's available water is dedicated to environmental purposes, Agriculture takes 42 percent and the urban part of the equation gets 11 percent. More storage makes no sense if that 47 percent share of environmental water escalates, as is the current vision of California's Department of Water Resources.

While agriculture has made great strides in conservation, like OID, we can do more if there is an incentive to build and pay for projects to conserve water. In OID's situation, the ability to pay for more expensive conservation is diminished because OID has limited ability to store and use conserved water. Storage only makes sense if you can put water into storage.

Maximizing the Use of Existing Storage:

New Melones is a large federally-owned storage reservoir on the Stanislaus River. It has the capacity to hold 2.4 million acre feet, while the annual yield of the Stanislaus River basin is 1.1 million acre feet. The ability of the United States Bureau of Reclamation to store water in New Melones is restricted by a Biological Opinion ("BO"). That BO calls for such large in-stream flow releases annually, that over time the resource becomes over-committed. Due, in part, to the BO requirements, New Melones has a significant amount of storage capacity that is not used each and every year.

OID and SSJID divert water from the Stanislaus River, but do not have a right to store water in New Melones without federal permission through a Warren Act Contract. OID and SSJID have smaller storage facilities upstream of New Melones. Despite OID's limited ability to store water, it has invested in water use efficiency. In 2001, it took OID 255,000 acre feet to meet its crop water demands on-farm. Twelve (12) years later and \$50 million in conservation investments, it now takes OID 235,000 acre feet to do the same job. OID markets the surplus water generated from its conservation efforts to finance and fund its modernization programs.

Over the past several years, the need to utilize storage in New Melones has become increasingly evident. For example, in 2010, OID and SSJID agreed to transfer water to the San Luis Delta-Mendota Water Authority (“SLDMWA”). Pumping restrictions and project operations almost defeated this transfer because it was difficult to match up the timing of water availability and the ability to pump. If storage in New Melones had been available, that difficulty could have been avoided. The same was true in 2012 when OID and SSJID discussed moving supplemental supplies to SLDMWA, only to be told there was no capacity at the pumps. Since there was no capacity, and the Districts could not store the water in New Melones, this transfer did not occur. A lost opportunity in a dry year.

OID and SSJID have analyzed the historic hydrology of the Stanislaus River basin and the current operations under the BO, and have found time periods of up to 35 years in length where additional water could have been put into New Melones without spill. As part of its planning efforts, OID has looked at storing its conserved water, coordinated river releases to meet regional regulatory obligations on the Merced, Tuolumne, and Stanislaus Rivers, and water exchanges with MID/TID as mechanisms available to generate water for storage. Our initial review indicates somewhere between 20,000-40,000 acre feet could be put into storage annually. The costs to raise Shasta Lake and get 20-72K acre feet of water is \$280-\$360 million. The costs to raise the San Luis Reservoir is \$360 million for 130K acre feet of water. To store 20,000-40,000 acre feet annually in New Melones would cost zero (\$0) dollars. In fact, the Federal Treasury would receive up to \$1,000,000 in Warren Act contract payments.

Access to storage in New Melones provides multiple benefits;

1. Increased stored water without any additional capital costs, construction, or major environmental permitting.
2. More storage under a Warren Act Contract means more revenue to the federal government via storage fees. OID has even offered to pay the federal government in “water” as opposed to “money” to benefit their purposes.
3. OID’s water transfers and the release of that water could be coordinated on a fish-friendly flow schedule that benefit the environment.
4. Storage in New Melones would afford OID and SSJID the ability to move water when needed, as needed on an annual basis to better meet the needs of all exporters, both on the Federal and State Water Project, when pump capacities are an issue.
5. Storage in New Melones would afford greater reliability to those same exporters as a carryover option in water years that storage over availability is a priority.

6. Storage in New Melones could be enhanced by inter-basin, eastside transfers and exchanges.

Conclusion

Congressman Denham introduced HR 2554 to address the issue of New Melones storage. This bill was approved by the House and included in a final compromise bill that was sent to the Senate. We ask that the Senate act expeditiously in the passage of this legislation.

I wish to thank the Committee again for their time and for listening to the views of the Oakdale Irrigation District.