

**Statement of David Murillo, Regional Director
Mid-Pacific Region
Bureau of Reclamation
U.S. Department of the Interior
Before the
Committee on Natural Resources
U.S. House of Representatives**

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

**Fresno, California
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Chairman Hastings and members of the Committee, I am David Murillo, Regional Director of the Mid-Pacific Region for the Bureau of Reclamation (Reclamation). I am pleased to represent the Department of the Interior (Department) today, alongside our partners including the State of California and the water community, to describe the actions that are underway to address the drought in California.

As the Committee is acutely aware, California is experiencing its most severe drought in recent history. We are now more than two-thirds of the way through the rainy season and many areas of the state are 60 to 75 percent below average annual precipitation totals for this date. It would take more than a half an inch of rain from Redding to Fresno every other day until May to get back to average precipitation, and even with such precipitation, California would remain in drought conditions due to low water supplies in reservoirs from the two previous dry years. Despite recent storms, our very low reservoir and snowpack levels dictate that we must plan ahead and conserve more water. Reclamation, the state, and our federal partners have not been standing still waiting for this drought to develop. State and federal water managers are working hand in glove in a delicate balancing act to optimize water allocations, both short-term and long-term. For my testimony, I would like to summarize some of our actions at the operational-level aimed at reducing the impacts and optimizing the use of existing water supplies this year, and then I will move on to some of the funding issues relevant to this discussion.

First, Reclamation and multiple stakeholders developed and are now implementing a demonstration project for managing Old and Middle River (OMR) flows in the Delta. The demonstration project will use a “flow index” that can be calculated in real-time to make decisions instead of tidally-filtered gauge data that can take days for determining OMR flow requirements associated with the U.S. Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS) Biological Opinions (BOs). Implementing the OMR Index Demonstration Project will improve operational stability and simplify accounting for the many factors affecting OMR flow, and result in simplified and more predictable Central Valley Project (CVP) and State Water Project (SWP) operations. This demonstration project is being implemented in 2014 and will be reevaluated for 2015 operations.

Second, in January, Reclamation worked with the California Department of Water Resources (DWR) to develop a Temporary Urgency Change Petition that was submitted to the State Water Resources Control Board (State Board) on January 31, 2014. The Temporary Urgency Change Petition requested a reduction in the Delta outflows required by State water rights Decision 1641, as well as other actions to maintain Delta salinity requirements. The State Board issued an Order in response to the petition on January 31, 2014. In late February, Reclamation and DWR requested the State Board to extend the January Order through the end of March. The State Board granted this extension on February 28, 2014. As part of the Temporary Urgency Change Petition and Order, Reclamation is providing support to USFWS and the California Department of Fish and Wildlife (DFW) to perform additional delta smelt and salmon monitoring. This monitoring is providing additional information and will provide information more quickly on fish movement and presence to inform operations under the Temporary Urgency Change Petition and Order. Reclamation and DWR will continue to monitor hydrologic conditions to determine whether additional drought response actions should be requested from the State Water Board. Also, Reclamation is actively monitoring the State Board's flow and salinity standards on the San Joaquin River at Vernalis. If necessary, Reclamation and DWR may be requesting a relaxation of Vernalis salinity standards to conserve water in storage that can be used later to ensure our ability to keep control over Delta salinity over the long term, should the drought continue.

Third, as was detailed in our 2014 CVP Water Plan, Reclamation has taken a number of steps to facilitate water transfers. Reclamation requested an early determination from NMFS of the San Joaquin River inflow to export (I:E) ratio requirement based on the January runoff forecast and the predicted continuing dry February forecast results. To allow water users to plan in advance and to provide some certainty in operations to accommodate water transfers, on February 7, NMFS agreed to establish an I:E ratio of 1:1 for April-May, 2014 earlier in the year than they normally would so that we could plan for less restrictive CVP and SWP exports. Also consistent with the 2014 Water Plan, Reclamation has been working collaboratively with its contractors to develop environmental documents to support water transfers, should conditions allow. During the Week of March 10, we publically released two transfer alternatives: (1) transfer of water from North of the Delta contractors to South of the Delta contractors; and (2) transfer of non-project base supplies from Sacramento River Settlement Contractors to in-basin buyers North of the Delta. Cumulatively, these alternatives could make 100,000 to 200,000 acre-feet of water available to those most in need. In addition, Reclamation has been working closely with the DWR and the State Board to facilitate water transfers.

As we move forward in this drought year, Reclamation, DWR, NMFS, USFWS, DFW, federal and state contractors, and the State Board are working to develop an operations plan for the remainder of the water year, which will serve as a contingency plan under the drought exception procedures in the NMFS BO. This plan will outline operations and assumptions (allocation, refuges, barriers, cold water pool, water quality, fisheries, and the possibility of entering into another drought year in 2015) to allow all agencies and users of California water to plan for and implement drought responses measures as necessary.

Through these and other actions, Reclamation is working closely, on a day-to-day basis, to coordinate and communicate proactively with the State of California and within the federal

family. High level leadership calls are being held weekly to identify issues before they become problems, and to find solutions to provide water for our customers and protect irreplaceable natural resources.

In November 2013, the Administration launched the National Drought Resilience Partnership (NDRP) to help communities better prepare for droughts and to reduce impacts on families and businesses. The NDRP is coordinating federal efforts across the country and working closely with State and local governments and other partners to improve community preparedness and resilience to drought. With the severe drought in California, the NDRP is also playing a critical role in response, helping to connect communities to the federal assistance they need.

Turning from operations to funding, we have worked for years to maximize the resources available for water supplies in California. Every year for the past two decades, hundreds of millions of dollars in federal resources have been provided annually in this state, much of it here in the Central Valley, to develop new water supplies, maximize conservation, improve existing infrastructure and finalize innovative agreements among water users. As the other witnesses here can attest, many local communities in California are on the forefront of water supply efficiency and modernization of their delivery systems. The President's visit to the Central Valley last month, as well as the Secretary Jewell's visit last week, made clear that the Administration understands the seriousness of the situation here. Two weeks before the President's visit, our previous Commissioner, Mike Connor, came to Sacramento to announce a 2014 funding opportunity of up to \$14 million in federal assistance for irrigation districts, water districts, tribes and other water or power entities to cost share on projects that create new supplies for irrigation and improve water management. This opportunity is part of a partnership between Reclamation and the Natural Resources Conservation Service (NRCS), whereby NRCS will provide funding and technical assistance for on-farm projects such as tail water recovery systems, conversion to sprinkler or drip systems, and micro-irrigation investments. Reclamation and NRCS will each provide up to \$7 million for this effort. The deadline for submitting proposals is Monday, March 24th at noon, and we anticipate project selections will be announced by late May or early June.

These efforts are not new in the Mid-Pacific Region. Since 2009, Reclamation has provided over \$42 million in financial assistance to water purveyors in the Region for agricultural and urban water use efficiency improvement/management projects. Through various programs such as CALFED, Bay-Delta Restoration Program (NRCS Partnership), WaterSMART, and the Water Conservation Field Services Program, combined with recipient cost share, over \$138 million has been invested in water efficiency improvement projects over the last four years. Collectively these projects conserve approximately 274,000 acre-feet of water annually and have been proven as one of the most cost effective ways to increase the available supply of water in California, and elsewhere. Through the Title XVI water reuse program alone, municipalities throughout California are now making use of approximately 350,000 acre-feet of recycled water annually, reducing reliance on the over-allocated Bay-Delta and Colorado River systems.

Reclamation recognizes the need to fund projects that address water supply sustainability and stretch limited water supplies. This is made all the more relevant when you consider that the hundreds of thousands of acre-feet of CVP water that was rescheduled from 2013 into 2014 is

proving crucial to providing water supplies this year. For some districts, this water is their only source for 2014 supplies. A significant amount of this rescheduled water would not have been available without the conservation investments made with our partners in years past under these programs.

In addition, the projects that were funded in 2009-2011 by the American Recovery and Reinvestment Act under the authority of the Reclamation States Drought Relief Act of 1991 have now been implemented. Reclamation provided \$40 million in funding in the Sacramento and San Joaquin Valley for well rehabilitation, new wells, and temporary pumps and pipes. This new infrastructure is providing a water supply to areas that previously did not have access to a supply and is assisting growers to be more resilient to drought.

It has been two years since Reclamation and the San Luis and Delta-Mendota Canal Authority completed construction of a 500-foot connection between the state and federal projects just west of Tracy. The Delta-Mendota Canal/California Aqueduct Intertie addresses conveyance conditions that had restricted use of the Jones Pumping Plant to less than its design capacity, potentially restoring 35,000 acre-feet of average annual deliveries to the CVP. The Intertie provides redundancy to portions of the state and federal water distribution system, allows for maintenance and repair activities that are less disruptive to water deliveries, and provides the flexibility to respond to CVP and SWP emergencies. In the first 18 months of operation, nearly 73,000 acre-feet of additional CVP water was pumped through the Intertie. It was a successful project, and is illustrative of the working relationship we have with the state and our water contractor community.

Of course, there is always more to do. We know there will be more tough choices to maintain basic supplies if a fourth straight dry year materializes. Various federal and state agencies are assessing the amount of “carry-over” supplies that must be retained in our reservoirs to maintain salinity control in the Delta to ensure that it can continue to be used as a water supply source and to provide for health and safety purposes in case of a fourth straight dry season, and this possibility will inform our thinking for the rest of 2014.

Although we are focused on near-term actions to address the drought, we also remain committed to finding longer term solutions that will create a more sustainable future for the CVP. We continue to press forward on the feasibility studies that examine the potential for new and expanded reservoir storage in the Central Valley. Of note, we have completed four major reports on storage projects since July last year. Specifically, in July we released the Draft Environmental Impact Statement for the Shasta Lake Water Resources Investigation, and in December we released a Draft Appraisal Report on the expansion of San Luis Reservoir, as well as a progress report for the North-of-Delta Offstream Storage Investigation. Then in February we released the Draft Feasibility Report for the Upper San Joaquin River Basin Storage Investigation. In addition, Reclamation is planning to release the Draft Environmental Impact Statement for the Upper San Joaquin Investigation and complete the Final Feasibility Report and Final Environmental Impact Statement for the Shasta Lake Water Resources Investigation by the end of this year. Reclamation, through the San Joaquin River Restoration Program, is also supporting the development of groundwater recharge projects in support of the water management goals of the Program.

Finally, I would note that for the long-term, the Administration remains committed to working closely with the State of California to achieve the co-equal goals of (1) improving California's water supply reliability; and (2) protecting, conserving, and restoring the Bay-Delta environment. In addition to the water management measures discussed above, we continue to work in close partnership with the State in developing the Bay-Delta Conservation Plan.

In closing, I thank the Committee for its attention to this issue, and for fair consideration of all we are doing to operate the state and federal projects in compliance with the law for the benefit of all Californians and the environment. Reclamation values its working relationship with all the parties represented here today. I would be glad to answer questions at the appropriate time.