

**U.S. Senator Dianne Feinstein**  
**Remarks at the Association of California Water Agencies Annual Conference**  
**February 26, 2014**

It has been a few years since I last addressed this group to talk about water. Since then, we have found ourselves in one of the most challenging and contentious periods in California water history.

With that in mind, I want to talk about short- and long-term solutions. I will focus on three things:

- My actions in response to the drought;
- The issue of increased water storage; and
- The upcoming state water bond.

**Drought Response**

It has been more than a month since Governor Brown declared a drought emergency, and three years since all Central Valley Project contractors received more than 50 percent of their contract water allocations. We may be in a state of continuing drought.

The statistics are troubling. According to the Department of Water Resources, Shasta, Oroville, and San Luis reservoirs are all below 40 percent of capacity today. Statewide, the snow water equivalent is only 22 percent of normal.

The State Water Project, for the first time in its history, is providing a zero initial allocation to water contractors.

Last week, Reclamation also announced a zero initial allocation for agricultural water service and Friant Division contractors, and significant cutbacks – down to 40 percent – for senior water rights holders like the Settlement and Exchange Contractors.

I am troubled that there are at least 10 communities at risk of running out of water within two months. More will face the same situation if there is no relief.

We hoped for some reprieve a few weeks ago when Northern California saw its first major storm in more than a year.

Unfortunately, as the National Weather Service put it: we had a five-gallon bucket to fill, but got only about a 10-ounce coffee cup's worth of water.

My worry is not just about farmers, but the entire economy of our State. Businesses, fishermen, factories, schools, hospitals, fire departments, social and government services – everyone is affected.

We need a forceful and immediate response. That is why I introduced the Emergency Drought Relief Act of 2014 along with Senators Boxer, Wyden and Merkley, and Congressman Costa in the House.

This bill focuses on increasing water supplies in California beginning this year.

It would cut red tape and free up federal agencies to operate with maximum flexibility and speed so they can move water to those who need it.

When there is more rain, this bill will make an even greater difference.

Let me sum up how this bill would help. I will begin with five measures that call for smarter ways to manage and increase our water supplies.

### **Five mandates**

First, our bill directs federal agencies to open water gates on the Sacramento River for as long as possible when few salmon are migrating. This should allow thousands of acre feet of water to be pumped without harming the species.

Second, it directs agencies to find ways to control water operations for turbid waters. The endangered Delta smelt is attracted to turbidity. Metropolitan Water District funded studies and models to help determine where the turbid waters are. If the turbidity is not near the pumps, you can pump more water; if the turbidity is near, you turn off the pumps so you don't entrain Delta smelt.

Third, the bill mandates that when the Federal agencies make pumping decisions, they must maximize water pumping to increase water supplies as long as they are consistent with the Endangered Species Act and the 2008 Delta smelt biological opinion.

Fourth, the bill requires that from April 1 through May 31, water pumps must be allowed to operate at the highest level for water transfers – a 1-to-1 ratio in technical terms – as long as salmon still have enough water.

Fifth, our bill requires the federal agencies to issue all necessary permits within 30 days of receiving an application for building temporary barriers and operable gates.

These structures help reduce fish mortality, improve water quality and help avoid water pumping restrictions.

The bill would also reduce bureaucracy by directing federal agencies to complete environmental reviews under shortened timeframes. This is not controversial because it relies on emergency authorities that already exist.

## **Emergency funding**

The bill provides emergency funding and disaster assistance. This includes \$100 million for Interior to provide assistance to drought-stricken states and counties in the West and \$200 million for projects, grants and other assistance for agricultural producers, at-risk communities, private forest landowners, and farm workers.

An amendment to the Stafford Act will also make it easier for drought states to access federal disaster assistance.

Let me be clear: the success of some of these measures will depend on how much rain we get and how much water is available to be moved.

There is no substitute for rain, but it will give us tools to make water available if we get more rain, and to maximize every drop of water in the system.

This bill will benefit many California water users. To make sure this bill becomes law, I need you to speak up in support of this bill, and urge both Democrats and Republicans in Congress to vote for it.

Having discussed the short-term, let me now turn to a crucial long-term solution – storage.

## **Storage**

Southern California is better situated right now thanks to decades of work to improve storage and water conservation.

Metropolitan Water District, I understand, has enough water for 19 million customers through voluntary water use reductions.

Were it not for the more than 2 million acre-feet of water reserves, including 600,000 acre feet in Diamond Valley Lake, Southern California would be facing up to 50 percent mandatory water use restrictions.

The lesson is clear: we must build more storage to prepare for the next drought which is sure to come.

In fact, Reclamation stated recently that without further investment in water management and infrastructure, annual statewide shortages could increase to 5 million acre-feet by 2030.

I have pressed Reclamation for a decade to finish the CALFED storage feasibility studies. In 2014, we passed legislation that would allow Reclamation to partner with non-federal entities to accelerate these studies.

With climate change, I am convinced that water scarcity will become the new normal. That is why California should follow Metropolitan's example, building storage now to capture water from the wet years for use in the dry years.

There are a few projects that could benefit California if some challenges are overcome. I will talk briefly about each one:

### **Shasta Dam Raise**

There is a proposal to raise Shasta dam by eighteen and a half feet. The draft feasibility study for Shasta was completed in early 2012; the final study is due in January 2015.

Reclamation estimates that the \$1.1 billion project could provide a dry-year yield of 76,400 to 133,000 acre feet of water.

In addition, there could be as much as 378,000 acre feet of cold water pool supplies to help increase salmon production by 1.2 million fish downstream of Shasta, and an increase of up to 138 gigawatt-hours per year in hydropower generation.

The draft study estimated economic benefits for the dam raise between \$65.4 million and \$92 million annually.

Now, the dam raise would require occasionally inundating a portion of the McCloud River and its shoreline. The river, as you may know, is protected under state law, and so state law has to change before bond funding can be used to raise Shasta.

### **Sites Reservoir**

Unlike Shasta, Sites would be a new reservoir.

Reclamation estimates that this proposed 1.8 million acre-foot facility could yield 530,000 to 640,000 acre feet of water. The current cost estimate is unclear, but a previous estimate was between \$3.3 and \$3.9 billion.

Sites' project aims to provide north-of-Delta storage to improve water supply reliability for municipal, industrial, agricultural, and environmental uses. There could also be benefits for hydropower generation and Delta water quality.

What we need to keep the study moving forward is for the State to provide its share of funding.

### **Temperance Flat**

Storage south of the Delta is also necessary, which brings me to Temperance Flat.

This proposal is for a new dam and reservoir on the upper San Joaquin River, about 25 miles northeast of Fresno. The facility would be 665 feet high, with a capacity of 1.33 million acre-feet.

The project is intended to provide additional supply reliability for Central Valley agriculture and State Water Project users, and to enhance river water temperature and flow conditions to support fish.

This project could also help Reclamation capture more water because currently, due to Millerton Lake's limited storage, an average of about 450,000 acre feet of water is lost annually during wet years to runoff instead of being captured.

The draft feasibility was released this month. Project costs, depending on the alternatives, range from \$2.49 to \$2.56 billion. Estimated potential water yield is between 61,000 to 76,000 acre feet.

The estimated monetary benefits for the various alternatives range from \$95 million to \$578 million.

It is my understanding that for the project to be built, several hydropower plants will have to be relocated. I hope we can find a solution.

### **San Luis Reservoir**

Besides the CALFED storage studies, I think one additional proposal ought to be investigated further, and Reclamation agrees.

Reclamation has been trying to find ways to repair the Sisk Dam at San Luis Reservoir because of seismic risks.

Reclamation then realized there is an opportunity to consider increasing storage at San Luis Reservoir while completing the seismic work.

An appraisal study released in December 2013 included an alternative that would raise San Luis Reservoir's water surface by 10 feet and the dam crest by 20 feet. A partial cost estimate says the conceptual alternative will cost at least \$360 million, not including some design and construction costs.

The study also estimated that fully two-thirds of this cost would be for seismic safety improvements to the existing San Luis Reservoir that are required regardless of whether the reservoir is enlarged.

This means that the incremental cost of raising the reservoir could be only \$120 million.

Reclamation estimates this alternative would increase the reservoir's capacity by about 130,000 acre feet, yielding 43,000 acre feet of additional average annual Delta exports. For \$120 million, this would be a lot of bang for the buck.

Furthermore, Reclamation estimates that if the reservoir capacity is increased by 400,000 acre-feet, there could be an additional 71,000 acre feet of Delta exports.

Reclamation concluded that enlarging San Luis Reservoir ought to be studied further.

As you can see, storage is not just for farms and businesses, but could also benefit municipalities, natural habitats, and fish species.

I am going to continue pressing Reclamation to complete these studies, including San Luis Reservoir. But getting the studies done is just the first step. We need to be prepared financially to see them to completion, which brings me to my last topic today.

### **The water bond**

I know there are many views about the size and scope of a water bond to solve our water challenges.

There have been dueling proposals in the State Legislature – a \$6.5 billion bond by Assemblyman Anthony Rendon, and a \$6.8 billion bond by Senator Lois Wolk.

I am concerned that neither proposal will provide enough funding for storage projects like the ones I have discussed. In fact, I understand that Senator Wolk's bill would prohibit funding for Shasta.

In my view, the bond should be under \$10 billion, but should include at least \$3 billion for storage, and about \$3 billion for the Delta.

I know there are some other proposals that approach this level of funding. For example, Assemblymen Perea, Gray and Salas and Senator Cannella introduced A.B. 2686 last Friday, a \$9.25 billion bond that includes \$3 billion for storage and \$2.25 billion for the Delta.

To keep the size of the bond manageable, it should not include local projects unless they can provide significant water supply and water quality benefits.

The 18-foot Shasta raise has a benefit-cost ratio of 1.21 to 1.71 in the draft feasibility report. If Shasta continues to be one of the best options, the legislature should modify state law which currently prohibits the state from participating in the project for bond funds to be used.

We are in very challenging times, but I am confident that if everyone comes together, as you are doing now, we can solve these problems. I look forward to continuing to work with all of you, and I thank you again for having me today.