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**Testimony Before the Subcommittee on Water and Power
Committee on Natural Resources
United States House of Representatives**

**Legislative Hearing on The Bureau of Reclamation
Surface Water Storage Streamlining Act**

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Chairman McClintock, Ranking Member Napolitano, and Members of the Subcommittee, thank you for the opportunity to appear before you today.

Chairman Hastings, thank you for introducing this important legislation and for continuing to make increased storage and other measures to address the historic drought in a California a priority for the Committee.

Introduction

My name is Jeff Sutton, and I am the General Manager of the Tehama-Colusa Canal Authority (TCCA), a Joint Powers Authority comprised of seventeen (17) Water Districts, all of whom are Central Valley Project (CVP) Water Service Contractors.

The TCCA is honored to be here to testify about the “The Bureau of Reclamation Surface Water Storage Streamlining Act.” The TCCA strongly supports this legislation and looks forward to working with you to refine and finalize the bill leading up to its consideration on the floor.

The 150,000 acre service area that the TCCA serves spans four counties along the West side of the Sacramento Valley, providing irrigation water to a diverse agricultural landscape and over 1,000 family farms that produce a variety of crops, including: almonds, pistachios, walnuts, olives, grapes, prunes, rice, tomatoes, sunflowers, melons, vine seeds, alfalfa, cotton, and irrigated pasture. The water provided to these lands results in an annual regional economic benefit of over \$1 billion.

The TCCA diverts water from the Sacramento River through the recently constructed Red Bluff Fish Passage Improvement Project, a quarter mile long, positive barrier, flat plate fish screen (one of the largest of its kind in the world), and new pumping plant, that enabled the retirement of the operation of the Red Bluff Diversion Dam, and the elimination of the fishery impacts associated therewith. This Project, implemented in partnership with United States Bureau of Reclamation (USBR), achieved two important goals: (1) providing the ability to have year round, reliable diversions of irrigation water for the farms within the TCCA service area; while (2) simultaneously providing for unimpeded fish passage to prime spawning habitat on the upper Sacramento River for several threatened and endangered species (Winter and Spring Run Chinook Salmon, Steelhead, and Green Sturgeon), providing great benefit to this important resource and greatly enhancing recovery efforts.

The Current California Drought Crisis.

As a water manager, and as a member of a family that has farmed in the Sacramento Valley since 1870, I can intimately speak to the hardships caused by the current California drought crisis, the erosion of the reliability of the Central Valley Project, and the impacts that have occurred as direct result of the lack of investment in new water infrastructure in California to meet the needs of agricultural, urban and environmental needs. Rather than speak to you about hypothetical scenarios, I thought it would be more helpful for my testimony to highlight ways in which enactment of the “The Bureau of Reclamation Surface Water Storage Streamlining Act” would be beneficial to mitigating the impacts of future droughts while also helping make the Central Valley Project operate more effectively and efficiently over the long term.

In 2014, for the first time in the history of the TCCA service area, all 17 water districts and 150,000 acres of productive farmland received an allocation of zero percent of their CVP water contracts. This has resulted in estimated fallowing of approximately 70,000-80,000 acres of land. The idling of this productive farmland has significantly reduced the economic productivity of our regional agriculture based economy. These impacts are reverberating throughout our communities, and are not merely being felt by the farmers who have had to forego planting their fields.

This crisis has also caused secondary impacts to agriculture based inputs (such as fuel companies, tractor companies, parts stores, fertilizer and seed companies, dryers, mills, and the local labor force), and tertiary impacts to other local businesses (stores, restaurants, auto dealers, etc..), as well as greatly affected county services. This historic lack of water supply is being experienced throughout the CVP service area, with the Friant Water Authority water districts and San Luis Delta Mendota Water Authority water districts also receiving a zero percent allocation. That represents well over 2 million acres, of some of the most productive farmland in the world, receiving not a drop of surface water from the CVP. In these rural counties, the farms are the factories that fuel our economy. Without the water necessary to lubricate this engine, it all comes to a screeching halt.

While the extremely dry period of hydrology currently being experienced in California has greatly contributed to the dire situation that exists, lack of foresight, planning, and investment, as well as the extreme regulatory environment and permitting hurdles have greatly frustrated efforts to manage our water resources and provide the necessary water infrastructure to prevent such a crisis.

During similar drought periods in 1977, and the drought experienced from the late 80s through the early 90s, while challenging, did not present the same desperation and impacts that are being felt today. During those experiences, reduced allocations occurred, but we still were able to deliver 25%-60% of the water contracts. These water storage projects were built to serve as our savings accounts during times of drought, a dynamic that had served us well, but reduced

flexibility, lack of investment, and the repurposing of these resources for environmental purposes has threatened the continued viability of our water supply system.

What has changed? First, legislative mandates and regulatory actions have resulted in lost water supply yield and reduced operational flexibility for our existing facilities. Second, permitting hurdles and a lack of coordination have prevented new projects from being realized.

Specifically, actions taken pursuant to the Central Valley Project Improvement Act, the USFWS and NMFS Endangered Species Act biological opinions related to the operations of the CVP, the Clean Water Act, and the Trinity Record of Decision have collectively impacted the deliveries of the CVP and the State Water Project (two of the largest water supply projects in the United States) by millions of acre feet.

When combined, an absence of coordination coupled with regulatory hurdles have prevented any significant investment in new statewide water storage in California since the 70's, during which time the population of the state has more than doubled. In short, while the demand for water has increased, our tools to manage and supply this vital resource have eroded. This is a recipe for disaster, and has resulted in impacts to California communities, agriculture, and the environment.

The Need for New Storage

During the last prolonged drought in California, the need for new surface storage was identified as a priority. Several projects were identified by the CALFED Bay Delta Program, and have been continuously studied since the early 2000's. Since that time, which spans well over a decade, USBR has expended close to \$100 million on surface storage studies, and the California Department of Water Resources (CADWR) has spent tens of millions of additional dollars, with very little to show for it. It should be noted that Shasta Dam was constructed in a seven year period, from 1938-1945, for \$120 million. USBR and CADWR have spent significantly more than that over the last decade -- just studying projects. Several worthwhile projects continue to languish in this study phase, where they have been stuck for well over a decade, including: Sites Reservoir, Shasta Raise, and Temperance Flat.

The current drought crisis has resulted in the state of California realizing the desperate need for new surface storage in California. Just a few weeks ago, the California legislature passed the “Water Quality, Supply, and Infrastructure Improvement Act of 2014,” which will be on the November ballot. If approved, the Proposition will provide over \$7.5 billion in funding for enhanced water infrastructure, including \$2.7 billion dedicated to fund up to 50% of storage projects for public benefits. This creates a very real opportunity for significant progress towards needed storage investments, and the opportunity to leverage state, federal and local funds to accomplish this goal.

That said, funding for additional storage will be of little use unless studies of proposed projects are completed in a more expeditious, cost effective and informed manner. Doing so will enable us to capitalize on this opportunity to invest in and build the infrastructure needed to avoid these types of drought impacts in the future. The proposed Sites Reservoir is an excellent example to demonstrate this need.

Sites Reservoir

The North of Delta Off-stream Storage Project investigation (one of the aforementioned proposed CALFED storage projects; also referred to as “Sites Reservoir) has been studied since 2002. During that time, USBR has spent approximately \$12.7 million on the Sites feasibility study, and CADWR has spent many tens of millions more. Despite these years of effort, and tens of millions of dollars in funding, this process has still failed to reach conclusions regarding the project’s benefits, costs, proposed operations, and overall feasibility. Some of the delays can certainly be attributed to the complexity of the multi-jurisdictional nature of the proposal coupled with the challenges inherent in the constantly shifting regulatory environment associated with the CVP OCAP biological opinions. However, the fundamentals of the project have not changed in over a decade making Sites a clear demonstration of the need for systemic, legislative improvements.

Growing concerns about the delays of this effort resulted in the formation of a local agency, Sites Project Joint Powers Authority, to provide a local sponsor for the project. The Sites JPA is made up of seven local agencies (including Tehama-Colusa Canal Authority, Glenn Colusa Irrigation District, Reclamation District 108, Maxwell Irrigation District, Yolo County Flood Control and Water Conservation District, and the Counties of Glenn and Colusa) and was formed to establish a local voice for the project, and a public entity to work with the state and USBR to design, construct, manage, and operate this proposed reservoir.

A 1.8 million acre foot capacity Sites Reservoir would generate an average annual yield of 400,000 to 640,000 acre feet in dry and critically dry years; and through integrating its operations with the statewide water system, would provide an additional 900,000 acre feet of additional storage in Shasta, Oroville, Folsom and Trinity Reservoirs during the important operational periods of May through September.

The Sites Project would not only significantly enhance water supply, it would also provide substantial improvements to the Sacramento River ecosystem, water quality conditions in the Delta, flood control benefits, increased recreational opportunities, emergency flows for the Delta, and a greatly increased cold water pool in upstream reservoirs, that would provide significant and important habitat improvements for threatened and endangered fish species.

Further, the Sites Reservoir, as an off-stream storage facility, has an incredibly benign environmental footprint. It utilizes existing water conveyance facilities, and diverts water from the Sacramento River through state of the art fish screens to avoid harm to the fishery. However, lack of funding to allow for expedient completion of these studies, as well as a lack of accountability and commitment to finalizing these studies, continues to plague the efforts to complete this investigation and to realize the benefits of this dynamic project.

The proposed “Bureau of Reclamation Surface Water Storage Streamlining Act” would greatly enhance this process by accelerating studies, mandating the expeditious completion of necessary

reports, and requiring a commitment to transparency and accountability. For these reasons, the Tehama-Colusa Canal Authority strongly supports this legislation.

Recommendations

In addition to establishing an expedited project study process, the Bureau of Reclamation Surface Water Storage Streamlining Act would also facilitate enhanced communication and collaboration between members of Congress, the Bureau of Reclamation and impacted stakeholders which will be vital to informing decisions about needed storage projects as well as the status of ongoing proposals and how best to implement them.

While the TCCA strongly supports this legislation, we would like to suggest a minor edit which we believe would make its implementation more effective. We concur with the Family Farm Alliance regarding the need for language that ensures that when USBR is the lead agency for permitting a non-federally built project with a direct federal nexus (such as the case may be for Sites Reservoir, and was the case for the Los Vaqueros raise, which then will be integrated into the Central Valley Project operations but remain a non-federally developed and owned facility) , that USBR will remain the lead agency and its permitting process will remain subject to the applicable provisions of this legislation.

It is also the TCCA's sincere hope Mr. Chairman that you and the other members of the committee will continue to work with your counterparts on the appropriations committees of jurisdiction to ensure that adequate funding is provided to complete and, where possible, expedite current ongoing studies such as Sites Reservoir.

While these studies come at a cost to the taxpayer, I believe that they are, on the whole, investments that provide a good return. For example, this year alone, it has been estimated that the impacts associated with the California drought have resulted in an over \$2 billion in losses to the agricultural sector of the state alone. Further, the federal government, as well as the state of California, have both spent considerable sums on drought relief over the past couple of years.

I am confident that by expediting the permitting process for additional storage, in a responsible way, this legislation will help build the storage necessary to mitigate the economic and

environmental impacts of droughts and substantially reduce future impacts and drought relief spending.

Conclusion

The “Bureau of Reclamation Surface Water Storage Streamlining Act” consists of a number of common sense proposals directed at removing unnecessary bureaucratic impediments to new storage in a manner that would provide additional water supply certainty to the businesses, individuals and wildlife whose wellbeing and, in many cases, survival is inextricably linked to the importance of congressional action to mitigate the adverse impacts of future droughts.

Therefore, it is my sincere hope that those who have concerns with this legislation will engage with you in a collaborative dialogue about how best to address their concerns in a manner that will allow this legislation to pass the House in the near future so that it can be enacted and signed into law this year. The Tehama Colusa Canal Authority looks forward to assisting you in this endeavor and we hope you won’t hesitate to call upon us to do so.

Again, thank you for the opportunity to testify, I look forward to answering any questions you may have.