

DEALING WITH DROUGHT

OCTOBER 2008

Challenges Abound as Dry Conditions, Low Reservoirs Take Hold



It's official. California is in a drought. A perfect storm of dry conditions, low reservoirs and court-ordered cuts in deliveries has put a squeeze on water supplies and triggered the first statewide drought declaration in 16 years.

This trifecta of challenges is compelling local water agencies to rely on conservation and dip into their water reserves to meet needs. A third dry year in 2009 could have severe consequences for the environment and the economy.

Back-to-back dry years and low reservoir levels have put California squarely in a statewide drought. State water officials say key reservoirs will dip to near record lows later this year, and many local water agencies are drawing down their reserves and urging customers to cut back on their water use.

Mandatory rationing is in place in some urban areas, and growers in some of California's most productive agricultural regions are seeing dramatic cuts in water deliveries. All told, the first statewide drought in 16 years is serving up an array of challenges for water agencies up and down the state.

Gov. Arnold Schwarzenegger declared an official drought June 4. He also declared a local drought emergency in nine Central Valley counties due to water shortages. The Department of Water Resources has established a Drought Water Bank to facilitate water transfers and help mitigate water shortages in a potential third dry year.

2008 Designated a 'Critically Dry' Year

Reservoirs levels statewide have dropped steadily through the end of the water year September 30. Lake Oroville, one of the

state's largest reservoirs and the mainstay of the State Water Project, is expected to drop to its lowest level in history later this fall.

Here's a look at current conditions as of September 30:

- Lake Oroville – 32% of capacity
- San Luis Reservoir – 13% of capacity
- Folsom Lake – 31% of capacity
- Shasta Reservoir – 34% of capacity
- New Melones – 47% of capacity
- Don Pedro – 55% of capacity

The four-month period of March-April-May-June qualified as the driest on record. April-May-June was the sixth driest in 114 years of record keeping. Rainfall for the year is about at 75% of average.

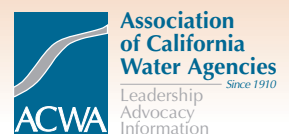
The Department of Water Resources has designated 2008 as critically dry on both the Sacramento and San Joaquin river systems. 2007 was also dry, and the combined 2007-'08 period is the ninth-driest on record.

Top left: Comanche Reservoir, a key reservoir for East Bay Municipal Utility District, is low after receiving just 50% of normal runoff this year.

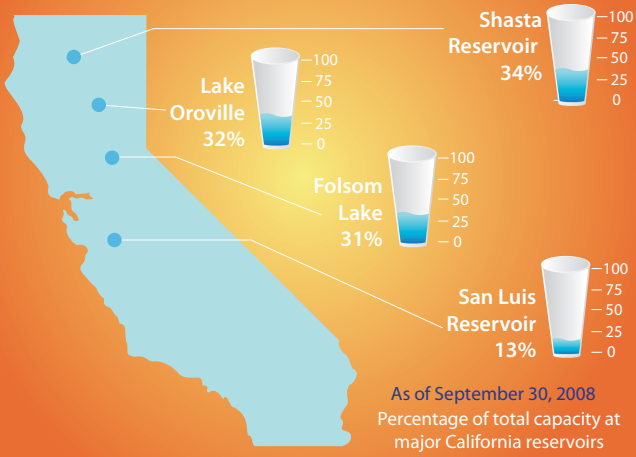
Top right: Folsom Lake has dropped to 31% of capacity.

Association of California Water Agencies
910 K Street, Suite 100 • Sacramento, CA 95814
916.441.4545

www.acwa.com



CURRENT WATER CONDITIONS



Drought Impacts on California Water Agencies

With California officially in a drought, local water agencies are dealing with challenges ranging from low runoff to court-ordered reductions in water deliveries to soaring energy costs. An informal survey conducted by ACWA shows that drought conditions are having an array of impacts on local water agencies.

Effects of the current drought include:

- Agricultural crops fallowed / abandoned / trees stumped
- Irrigation water shut off in some areas
- Reserves drawn down
- Increased groundwater pumping
- Less water for groundwater recharge
- Increased cost of water
- Increased algae blooms due to low water levels
- Limited pasture grass to feed cattle
- Loss of farm jobs, economic output in Central Valley

Actions taken by water districts in response to drought:

- Water supply alert / shortage / drought declared
- Voluntary and mandatory conservation
- Drought rates / surcharges / fines in effect
- Water rate increases due to shortage
- "Drought Busters" to enforce conservation efforts
- Drinking water at restaurants upon request only
- Alternate day only watering allowed; hours limited
- "Cash for Grass" programs implemented
- Leak detection efforts increased
- Conservation campaigns launched
- Construction meters read more regularly
- PSAs on radio urging conservation
- New development limited; water-efficient landscape required

Looking Ahead

As water districts across the state continued to deplete supplies in fall 2008, many worried about the effects another dry year would have on operations. State water officials are expected to announce preliminary allocations for 2009 in later this year, and local water agencies are bracing for a grim forecast.

Customers of the State Water Project received just 35% of their requested supplies in 2008 due to dry conditions and court-ordered restrictions, while agricultural customers of the Central Valley Project south of the Delta received just 40% of their contracted supplies.

In a survey of ACWA members, 79% of respondents said another dry year would require a stepped up response in 2009. Many reported they would be taking more drastic measures in 2009 if the drought continued. What this means for California's water picture is that the economic and environmental losses the state has endured this year will be exacerbated by another dry year.

A third year of drought would have severe impacts on the state's agricultural economy, and consumers could see higher prices for produce such as lettuce, tomatoes and melons. Ongoing drought would also set the stage for a potentially explosive fire season next year as the forests and landscapes become even more dry and fire-friendly.

Dry conditions in 2009 and continued court-ordered restrictions on water deliveries would likely put more pressure on the state's groundwater resources. Growers and others who rely on underground water sources could see water levels drop further, resulting in higher pumping costs and raising concerns about long-term health of already stressed groundwater basins.

ADDITIONAL RESOURCES FOR REPORTERS

The following people and Web sites can provide more information about water conditions and drought impacts:

- Elissa Lynn, Department of Water Resources, 916.574.2221
- Jennifer Persike, ACWA, 916.441.4545

- California Department of Water Resources, www.water.ca.gov
- U.S. Bureau of Reclamation, www.usbr.gov/mp/cvo/

- Michelle Light, U.S. Bureau of Reclamation, 916.978.5100
- Mike Wade, California Farm Water Coalition, 916.391.5030

- Cooperative Snow Surveys, www.cdcd.water.ca.gov/snow/

Top: Lake Oroville, mainstay of the State Water Project, will drop to its lowest level in history later this year.