

## Texas Water Day Conference 2013

**Commissioner Michael Connor:** As a representative of the administration, I very much appreciate the talk that Senator Cornyn just gave, and I think particularly how we ended up with respect to the need to work together. Overall, as I go through my comments, I think there's a lot more that we have in common, in particularly the area of water resources, than disagreement.

With that, I'll just point out, just for the record, I'm not a trial lawyer.

So overall, you know the numbers. The outlook is pretty grim these days as far as water resources in Texas. Being a New Mexican first of all, and having to deal with responsibility for issues in the Rio Grande, I wake up every day, and I get my little iPhone, and the Weather Channel app, and there are about four or five locations across the country that I check every day to see, "What's that 10-day outlook?"

I can assure you right now, in that four to five location category, the outlook's not good, but it's particularly bad in your neck of the woods. I was looking at some statistics last night, so these numbers, 70 percent of the states is in drought condition. At least 15 percent is in severe drought conditions.

I went and looked at the drought outlook, and that's basically the next-three-month outlook, and you guys are in the heart, as well as a lot of other areas. The Bureau of Reclamation operates in the heart of an area that's defined as, "Drought is likely to get worse, and at a minimum, it's going to be persistent through the next three months."

From that standpoint, there are a lot of things going on that we're having deal with, with the Bureau of Reclamation, and it addresses those immediate concerns related to the ongoing drought affecting our projects and our operations, and how do we operate and stretch out supplies as long as possible to make the most efficient use of the resources we have?

Then there are the long-term concerns, which I think all of us are focused on more and more.

Whatever the source, if it's just the drought cycle, from some people's perspective, or is it those projections about climate change really coming to fruition during our lifetimes, and during our time on the earth right now, it just calls for action that we be prepared to deal with these long-term droughts. And I think that's where there's a lot of common ground amongst a diverse set of individuals.

At Reclamation, I guess I would just say our basic goal, and what I've tried to kind of frame out as our primary responsibility, is we want to sustain the economic activity that's dependent upon our projects, and we want to provide the foundation for future growth. We do that through new infrastructure development.

We've got a lot of responsibilities in those areas, but we also, in my mind, need to do it by really taking a look at these projections over time, and working in partnerships with the states in which

we operate, as well as local entities, and really understand the science that's evolving as to what our prospects are for changing the nature of water resources. Not just surface water, but now groundwater is greatly being impacted in a lot of our areas.

That's a source of conflict. So we need to understand the science and we need to apply that, and develop new strategies of partnership with one another.

With the respect to the former category, with project-specific activities, this is always going to be a fundamental first priority when we look at how we allocate resources.

In Texas, we have five projects. The Canadian River Project, the San Angelo Project, the Nueces River Project, the Lower Rio Grande Rehabilitation project, and of course, the Rio Grande Project, which operates in the lower part of New Mexico, and provides water to entities in West Texas.

In that area, we need to continue to take care of that infrastructure, carrying out our responsibilities with respect to that, and we need to enter into the necessary operating agreements to move that water to where it needs to be.

While I'm not as familiar with the first four of those projects that I mentioned in Texas, the last one, the Rio Grande Project, and the ongoing issues that we've had between the New Mexico and Texas districts, resulting in an operating agreement that was developed 2007, to break the operating agreement, that brought peace to that region.

Now that's been taken to the next step, where state of New Mexico has challenged the operating agreement that we were party two with those two districts, and concerns about the viability, long-term, of that operating agreement resulted in Texas filing Supreme Court action against New Mexico under the Rio Grande Compact.

It's a little uncomfortable for a New Mexican to be here saying this, but we certainly have been appreciative of Texas' support for the operating agreement, which we think is the right path forward. And in viewing that agreement as evolving from the standpoint of, as we understand more about the interaction of groundwater and surface water, we will respond accordingly with respect to that operating agreement.

That's one of those examples of project specific activity that we just need to focus on and continue to do so at Reclamation.

Then there's a second category that I put as our general programs that we have, what we try to work in partnership. That's really what we're trying to build, federal-state-local partnerships on solving the immediate water challenge which we face now, and the future water challenges that we know are coming our way.

We do that primarily, a couple of examples, we have our WaterSMART Program. Just for those of you who don't know, we did a three-year report on WaterSMART that came out last fall. That's posted on our website.

Really, what we wanted to highlight is it's not just the successes that we have but the prospects for additional successes which have real water savings, real strategic value to the people we're partnering with, and even have some energy conservation and renewable energy development benefits, too. We thought those were worthy to highlight as a fundamental part of our programs at Reclamation.

Bottom line, some of the accomplishments that we've highlighted, which we think we can greatly build upon is, over the last three years the investments that we've made in partnership with a lot of other folks, resulted in about 616,000 acre feet of conserved water or new supplies made available for the long term, for the West.

We've implemented projects with energy efficiency savings of about 40 million megawatt hours energy efficiency savings on an annual basis that we expect to get out of those projects. And then finally, through those programs and related activity, we developed about 100 megawatts of new generating capacity at our facilities, or looked at hydro power on some of our conduits and canals, that's going to have long-term benefits as far as the "All-of-the-Above" energy strategy.

We're very proud of the WaterSMART program. We think it's brought real value, and we think there's real potential in the future. We also have a large number of science and technology programs to address some of those issues in center park.

We talked about specifically invasive species. The zebra mussel is a large part of our science and technology program, as well as working, and I'm going to segue into Texas- specific activity -- we've been doing a lot of collaborative efforts with Texas entities, developing research grants on applied science activity related to desalination, climate change impacts on the landscape and water reuse technologies.

Currently we're working with the state on a report or a study on the economics of brackish groundwater desalination. I think in the last couple of years we've issued eight grants to Texas entities for research on those three subject areas that I just talked about.

We've got a good, strong partnership going on in some of these general programs in Texas that I think will benefit Reclamation overall, as we take that knowledge and that research and try and export it into other areas. But hopefully we'll have some real key applications in Texas as you try and deal with your water resources challenges.

Also, 2011, I think was the driest year -- if I've got my background material right--2011 was the driest year in Texas history, and 2012 is probably the warmest year, as I understand it.

As part of the issues that developed in hundreds if not thousands of communities that were facing prospects of reduced water supplies as a result of the ongoing drought, we've been working with the Texas Water Development Board on an Emergency Water Supplies Planning Tool, which I think they're getting ready to post on the website, really to provide options in planning for access to water supplies in those critical drought years, when communities are running out of their normal water supplies. I think that's been a very productive effort.

Applying this WaterSMART program in Texas, I think, is also an area of significant growth over the last couple years. Over the last decade, we've had \$6.2 million in grants for 24 projects that saved about 36,000 acre feet of water in Texas. Overall, I think that \$6-plus million has resulted in about \$18 million worth of investments overall, in Texas.

In the last two years we've had eight projects and \$2.5 million that we've invested in WaterSMART grants in Texas-related activities. I think that's, once again, a growth area. If you all in Texas take it upon yourselves and plan your future and develop your projects with your local communities, we appreciate that.

I do think that there's a role that we want to play in partnership with you all, to try and highlight those programs. I think the grants probably helped in the financing aspect of those projects. So we think there's real value there in a state like Texas, where we can come in, not in our traditional water development-type mode, but as an assistance, as a partner, as a team player with what you're trying to accomplish there.

Other things, we've also got the WaterSMART grants. We've got water reuse projects. I know that water reuse is a big part of the Texas water plan. We've got one project that's authorizing Williamson County, that we're providing deep funding to, but we've also facilitated a couple of additional studies, I think, in Central Fort Worth.

In Kyle, Texas, we've got some planning money that we've made available, so I think we're moving in the right direction in Texas. I think we've got the right approach as to be available to assist the state and the communities that view our programs as helpful for dealing with their water future.

That's really the role I think I see in addition to, certainly, maintaining and working on through the issues associated with those five projects that we have in Texas.

Wrapping up, on an end-note, I just want to say, once again, segueing off of what Senator Cornyn was talking about, it is a transitional time, and we have very serious budget challenges before us, and we have a very uncertain future, which, maybe, by the end of March, it becomes a little clearer.

I would say that with more certainty, but I really thought the end of December we were going to have some clarity about how the next couple years would play out with respect to our budget resources. I think, as a result of the uncertainty that exists, we're developing our budgets.

Since we're having dialog with folks on Capitol Hill, as well within the Administration, I think there's a real discussion, debate going on about what is our role, particularly an entity like the Bureau of Reclamation, and even with the Corps of Engineers, I think it's going on.

There's always been disputed, and appropriately so, water management and allocation as the primary function of state governments, notwithstanding federal development in certain areas over time.

Certainly, the question is, "Are we going to pull back and simply be responsible for those specific projects that we have, those legal obligations that we have as a result of...whether it's water rights settlements, environmental compliance issues?"

Is that our role, or does the Bureau of Reclamation have a larger role with respect to working in-partnership with states and local communities, and trying to facilitate the strategic long-term planning that's needed, and have some role in trying to move towards the solutions that are at play?

As we have discussions in the future, or even during the Q and A, I think that's, particularly from a group of you all from Texas, with the independence that you all have, I'm just interested in how you see Reclamation's role playing out in helping you, if you think you need help with the respect to dealing with the water issues that you're facing.

I just want to note that there's that discussion, debate going on. It's going to be around for the next couple of years, and similar to what Senator Cornyn said, your feedback, your input is critical and helpful as we move forward. I appreciate your time, and I'm happy to be available for a few questions.