

Statement of Mark Limbaugh
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Department of the Interior
Before the
Committee on Resources
Subcommittee on Water and Power
U.S. House of Representatives, on
H.R. 4910, a Bill to Revise the Repayment Contract with
The Tom Green County Water Control and Improvement District,
San Angelo Project, Texas

July 25, 2002

My name is Mark Limbaugh and I am the Director of External and Intergovernmental Affairs of the Bureau of Reclamation (Reclamation). I am pleased to present the Department's views on H.R. 4910 which authorizes the Secretary to revise a repayment contract with the Tom Green County Water Control and Improvement District No. 1 (District) at Reclamation's San Angelo Project, Texas.

The San Angelo Project (Project) was authorized by the Congress in 1957 to provide flood control, municipal and industrial water for the City of San Angelo, recreation, fish and wildlife, and supplemental irrigation supplies to the District. The Project has been beset by chronic drought conditions since it was constructed in 1963. These arid conditions have resulted in Reclamation granting a total of seven deferments of the annual installments due on the District's forty-year repayment contract. During the past six year's alone, four deferments for the District's annual payment to the United States have been granted because of the unavailability of irrigation water. Section one of H.R. 4910 provides some immediate financial relief to the District by extending its contract with Reclamation by ten years and thereby reducing its annual payment to the United States. Extension of the repayment period will not likely be a permanent solution to the water scarcity facing this project. However, taking this action will give Reclamation some time to access the project's long-term challenges and will aid the District by providing needed repayment relief.

Therefore, the Department supports H.R. 4910. I would also add that Section two of the bill does not apply to the District, and should be deleted. This language was taken from legislation previously passed to address a repayment situation with the City of San Angelo. However, the particulars of the two situations are different, and section two should therefore be struck from the bill.

Mr. Chairman, thank you again for the opportunity to present the Department's views on H.R. 4910.