

# Committee on Resources

[resources.committee@mail.house.gov](mailto:resources.committee@mail.house.gov)

[Home](#) [Press Gallery](#) [Subcommittees](#) [Issues](#) [Legislation](#) [Hearing Archives](#)

**Statement of William E. Rinne, Deputy Commissioner  
Bureau of Reclamation  
U.S. Department of the Interior**

Before the  
Committee on Resources  
U.S. House of Representatives

On H.R. 4459

June 23, 2004

Mr. Chairman, I am William Rinne, Deputy Commissioner of Reclamation, and I am pleased to present the Department of the Interior's views on H.R. 4459, a bill that would establish within the U.S. Treasury an interest bearing account known as the California Groundwater Remediation Fund. These funds would be used to provide grants to the Santa Clara Valley Water District to help underwrite design and construction of groundwater remediation projects.

Mr. Chairman, the Department of the Interior cannot support H.R. 4459 in its current form.

Our first concern with the bill is its cost of \$25 million. We have received no information to date to justify the expenditure of that amount of Federal Reclamation dollars in the Llagas groundwater subbasin. Across the West, Reclamation's budget is already constrained, and we expect it to tighten even further. We believe Reclamation funding should be prioritized and focused on the heart of the Reclamation mission: delivering water and generating power. In addition, the Administration is generally opposed to provisions in legislation that create interest bearing accounts with appropriated funds.

Our second concern, Mr. Chairman, is that the bill seems to be structured in such a way as to permit federal funds to pass through the Department of Interior to the Santa Clara Valley Water District for use on projects initiated locally by that District and its local water authorities. As a result, Reclamation would have little involvement in the development and oversight of projects. The bill does not appear to provide significant discretion to Reclamation to manage or even screen the projects for funding. The bill provides that, as long as the non-federal interests deposit into the fund 35% of the total funds needed to complete a project, and the remaining 65% of federal funds does not exceed the unspent balance of federally appropriated funds remaining in the Remediation Fund, the grants can simply flow to these non-federal projects.

Whenever funds are appropriated to Reclamation, we take seriously our stewardship responsibility to ensure that they are spent as effectively as possible. Congress and the public expect Reclamation to be accountable for expenditures made with Reclamation funds. If we are not able to contribute our full expertise to projects and to oversee the federal expenditure, the taxpayers, and, in some cases, the project beneficiaries may end up receiving less than the full value of the expended funds.

A third concern is the level of federal cost-share contemplated in H.R. 4459. Depending upon the project, its purposes, and its stage of development, many local project sponsors have come to expect higher non-federal shares. Without knowing the exact purposes that the money will be applied to, we cannot be confident that the 35% federal share in this case is fair in the context of other Reclamation projects.

Mr. Chairman, despite the fact that we are not in a position to support H.R. 4459 at this time, we will be happy to work closely with you and Chairman Pombo to find solutions to the water challenges we all face. For example, it may be possible that development of some of these groundwater supplies in California could be undertaken in conjunction with the State through the CALFED Program.

I am pleased to answer any questions you might have at this time.