

Statement of William Rinne
Acting Commissioner, Bureau of Reclamation
U.S. Department of the Interior

Before the House Resources Committee
Subcommittee on Water and Power

H.R. 5282

Southern California Desert Region Integrated Water and Economic Sustainability Plan Act

July 12, 2006

Mr. Chairman and Members of the Subcommittee, I am Bill Rinne, Acting Commissioner of the Bureau of Reclamation. I am pleased to be here today to give the Department's views on H.R. 5282, the Southern California Desert Region Integrated Water and Economic Sustainability Plan Act. Because of the tremendous backlog of existing Title XVI projects, and for other reasons described below, Reclamation cannot support H.R. 5282 at this time.

In 1992, Congress adopted, and the President signed, the Reclamation Projects Authorization and Adjustment Act (Public Law 102-575). Title XVI of this Act, the Wastewater and Groundwater Study and Facilities Act, authorized the Secretary to participate in the planning, design and construction of five water reclamation and reuse projects. The Secretary was also authorized to undertake a program to identify other water recycling opportunities throughout the 17 western states, and to conduct appraisal level and feasibility level studies to determine if those opportunities are worthy of implementation. The Bureau of Reclamation has been administering a grant program to fund these Title XVI projects since 1994.

In 1996, Public Law 104-266, the Reclamation Recycling and Water Conservation Act, was enacted. This law amended Title XVI and authorized the Secretary to participate in the planning, design and construction of 18 additional projects, including two desalination research and development projects. Since 1996, Title XVI has been amended several times, and now there are 32 projects authorized for construction in nine states.

In previous testimony, Reclamation noted the need for reforms to the Title XVI program, which I will discuss again in this testimony.

First, Reclamation believes that before projects are authorized for construction, their appraisal and feasibility studies should be completed, reviewed, approved by Reclamation and the Office of Management and Budget, and submitted to Congress. This is not current practice among entities seeking funding through Title XVI. As a result, Congress is asked to authorize projects without the benefit of adequate analysis that a feasibility study can and should provide at early stages of project screening, as is the case in H.R. 5282. This information is essential to making informed decisions and establishing funding priorities.

Second, we believe that project sponsors should be given the explicit criteria by which they, Reclamation, and Congress can measure the merit of their proposals. Some of these criteria could determine threshold eligibility in the earliest stages of project planning. For example, does the project qualify for funding under some other Federal program? Does the project sponsor have a comprehensive water conservation program? Is the project located where it could help Reclamation carry out its core mission of delivering water and generating power? Can the project proponent show that it can and will pay its share of study and, ultimately, construction, operation and maintenance costs?

Third, beyond threshold eligibility criteria, we think that as projects progress through appraisal and, if warranted, feasibility study phases, they should be rated against several ranking criteria that would help Congress and the Administration prioritize projects. For example, would the project actually alleviate conflict over water supplies? Would it add or diversify water supplies in one of the "hot spot" areas that are also the focus of the Water 2025 program? Can the project be brought on-line within a reasonable timeframe?

Reclamation's desire to make project funding more competitive is shared by both non-Federal entities and a growing number in Congress; introducing more competition to the process should ultimately result in more "on-the-ground" benefits where they are most needed, resulting in better use of taxpayer funds. To make this a reality, Reclamation is considering different models for a project evaluation process to form the heart of Title XVI reform. Among the options we are considering is the process contained in S. 895, the Rural Water Supply Act passed by the U.S. Senate in 2005. We are committed to working with this Committee on this critical effort. If the Title XVI program is to progress into the future, it should be improved so that Congress and the Administration can screen and prioritize projects to ensure that they serve Reclamation's core

mission, target limited resources where they can have the greatest impact, and meet the needs of the public . Additionally, it is critical that the Secretary have the discretion to determine whether already-completed work or in-kind contributions materially contribute to the completion of the project, for credit toward the local sponsors' cost-share.

With respect to H.R. 5282, this bill would amend Title XVI, the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of projects to implement the Mojave Water Agency's Integrated Regional Water Management Plan by providing for Federal funding of up to 25 percent of the total cost not to exceed \$20 million.

The Integrated Regional Water Management Plan was completed in 2004 and updated in 2005. Most of the projects included in the Plan are for groundwater recharge, and a few are for water delivery systems. Recycled water projects are mentioned, but few details are provided. Very few, if any, of these projects have completed feasibility studies.

Mr. Chairman, the Department supports efforts to increase local water supplies in southern California. Reclamation has met with the Mojave Water Agency to exchange information. Reclamation has also met with the Victor Valley Wastewater Reclamation Authority, the agency that will likely implement the water recycling projects in the region.

H.R. 5282 would authorize the design and construction of a variety of projects, including groundwater recharge, water supply, and water recycling. Reclamation feels strongly that feasibility studies must be completed first to determine whether these particular projects warrant Federal construction authorization. Therefore the Department believes the legislation to be premature and cannot support H.R. 5282 at this time.

The Department also believes that this legislation would likely place an additional burden on Reclamation's already tight budget. This bill provides authorization for the normal Title XVI cost share of the lesser of \$20 million or 25% of project costs. With the tremendous backlog of existing Title XVI projects, we cannot support the addition of new projects at this time. We note that of the 32 specific projects authorized under Title XVI to date, 21 have received funding. Three of the projects have been funded to the full extent of their authorization. Two more should be fully funded in 2006.

Mr. Chairman, this concludes my testimony. Thank you for the opportunity to comment on H.R. 5282. I would be happy to answer any questions at this time.