

Statement of William Rinne
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Before the House Resources Committee
Subcommittee on Water and Power

H.R. 5299

Fort McDowell Indian Community Water Rights Settlement Revision Act of 2006

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 to give the Department's views on H.R. 5299, the Fort McDowell Indian Community Water Rights Settlement Revision Act of 2006.

Reclamation supports this legislation because it maintains the benefits the Yavapai Nation anticipated when resolving its water rights claims and reduces the overall cost to the United States.

The Fort McDowell Indian Community Water Rights Settlement Act of 1990, Public Law 101-628, resolved the water rights of the Fort McDowell Yavapai Nation. The Settlement Act included provisions intended to ensure that the Yavapai Nation would be able to use its water rights in economically productive ways. One of the development provisions of the Settlement Act directed the Secretary to provide a Small Reclamation Projects Act (SRPA) Loan to the Nation in the amount of \$13 million, to be repaid over 50 years without interest, to develop 1,584 acres of agricultural land. Additionally, Section 410 of the Act directed the Secretary to carry out all environmental compliance and authorized appropriations for all necessary compliance and mitigation .

During the course of the cultural resource surveys and testing that are a part of environmental compliance, a significant archaeological site was identified within the 1,584 acres of land targeted for development. In 1992, Reclamation estimated that it would cost in the range of \$3 million to \$6 million to complete mitigation of the site. The Environmental Assessment (EA) dated March 1992 and the Environmental Commitment Plan (ECP) dated May 1993 proposed to mitigate the impacts to cultural resources through site avoidance in lieu of excavation. This approach resulted in an overall reduction of 227 acres of land available for development for agricultural purposes within the originally planned farming area. Maintaining the size of the development and the benefits of the water rights settlement for the Yavapai Nation required the Department of the Interior to develop 227 acres as replacement lands. The cost of developing the replacement acreage is estimated to be \$5.6 million, including \$427,000 that has already been expended.

Development of the agricultural land under the Settlement Act is complete except for the 227 acres that would replace the lands not developed because of the cultural resources identified. The repayment period for the SRPA loan has begun. The SRPA loan has a face value of \$13 million, but is scheduled for repayment over 50 years without interest. The present value of the repayment stream of the SRPA loan is \$3.6 million.

H.R. 5299 would cancel the obligation of the Yavapai Nation to repay the SRPA loan and relieve the Secretary of the obligation to obtain mitigation property or develop additional farm acreage. Reclamation sees this bill as a fair and efficient resolution of unforeseen difficulties in implementing the Settlement Act. Enactment of H.R. 5299 would provide a significant benefit to the Yavapai Nation and reduce the cost to the United States by nearly \$1.6 million. Therefore, we are pleased to support this bill.

Mr. Chairman, this concludes my testimony. Thank you for the opportunity to comment on H.R. 5299. I would be happy to answer any questions at this time.