

**Testimony of Mr. Ron Platt
Board Member
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**Water, Wildlife and Fisheries Subcommittee
House Natural Resources Committee**

**Legislative Hearing on H.R. 6107
November 14, 2023**

Chairman Bentz, Ranking Member Huffman, and Members of the House Natural Resources Water, Wildlife and Fisheries Subcommittee, on behalf of the Boise Project Board of Control (the Boise Project), I am pleased to provide this testimony in support of H.R. 6107 the *Urban Canal Modernization Act*. My name is Ron Platt, and I am a Boise Project Board member and the current chairman of the Long-Range Planning Committee for the Boise Project. I also serve on the Wilder Irrigation District Board.

H.R. 6107 provides the following important amendments to the Omnibus Public Lands Management Act of 2009:

1. Providing for cost-shared non-reimbursable funding from the federal Bureau of Reclamation (Reclamation) Aging Infrastructure Account for extraordinary maintenance on Reclamation infrastructure to accelerate the repair and improvement by transferred work operators of urban canals of concern; and
2. Allowing reimbursable funds (i.e. loans) provided from the Aging Infrastructure Account for loans financing extraordinary maintenance on Reclamation infrastructure to be used to match federal grants.

This legislation has broad West-wide support in the irrigation community, including support from the Family Farm Alliance and National Water Resources Association (NWRA).

Boise Project

Formed in 1926 by virtue of contracts between the United States and five irrigation districts, the Boise Project is the operating agent for Boise-Kuna Irrigation District, Big Bend Irrigation District, Nampa & Meridian Irrigation District, New York Irrigation District, and Wilder Irrigation District, all of which serve irrigated lands in southwest Idaho and southeastern Oregon. The Boise Project's mission is to operate and maintain (O&M) the irrigation facilities and other works, where such O&M responsibilities (not title) has been transferred by Reclamation to these five irrigation districts, and to deliver water to these districts' landowners responsible for paying assessments on their lands to cover the cost of O&M on the canal. These "transferred works" include the Reclamation-owned facilities beginning at Diversion Dam on the Boise River and include the main delivery canal (the New York Canal), approximately 1500 miles of ancillary canals, laterals, and drains, and all the appurtenant headgates and other structures needed to deliver water to productive irrigated farms and ranches in the valley. Even though the Boise Project manages, operates, and maintains all these features, the title to the water

delivery and management facilities remains in the name of the United States. The Boise Project delivers water to approximately 167,000 acres of irrigated land through these transferred works.

When early pioneers and settlers moved into Idaho's Treasure Valley, along the Boise River in Southern Idaho, they quickly recognized the need for infrastructure to carry water from the river to the parched lands throughout the valley. As early as the 1860's, settlers such as Tom Davis began farming the valley and obtaining water rights for their farms. These settlers began constructing canal systems to deliver water into the desert. By 1900, over 110,000 acres were being irrigated in the valley.

The New York Canal

Construction on the New York Canal began in the late 1800's when a group of private developers formed the New York Canal Company and attempted to attract private investors to fund canal construction. These efforts failed. After passage of the 1902 Reclamation Act, in 1906 the New York Canal Company contracted with the United States for Reclamation to take over the New York Canal. With the involvement of the United States, the New York Canal was enlarged and extended to create the Deer Flat Reservoir some 41 miles away from the Diversion Dam. The reservoir and main canal were completed by 1909.

The United States then issued water contracts to individual landowners and assessed liens against their property to recapture Reclamation's costs. Reclamation grew weary of dealing with hundreds of individuals and the Commissioner of Reclamation insisted that the water users form irrigation districts to collect assessments for the construction of the project and operational and maintenance costs of water delivery. This federal ultimatum led to the formation of the five irrigation districts which then contracted with the United States to assume the repayment obligations and establish the Boise Project for the transferred operation and maintenance of the irrigation works.

The New York Canal is the central focal point of the Boise Project water delivery and is the lifeline of the entire project. All Boise Project water deliveries rely on this one canal. The New York Canal diverts water from the Boise River just below the U.S. Army Corps of Engineers' Lucky Peak Reservoir in southwestern Idaho. From there, the Canal takes a 41-mile journey to Lake Lowell. It is common in the summer months, during the height of the irrigation season, for the New York Canal to carry more water than the flows in the Boise River below its diversion. The canal is vital to water delivery and management in Idaho's Treasure Valley and is recognized by Reclamation for its role in "water conservation, drought resilience and safe and reliable water delivery." (<https://www.usbr.gov/pn/programs/nycanal/index.html>).

When first constructed, the New York Canal crossed through farm fields and desert sagebrush. There was very little urban development around the canal. This was important as much of the first six miles were built perched along an elevated bench 20-60 feet above the valley floor.

In the 1950s, an upstream segment of the New York Canal along the bench breached. Fortunately, at the time, there was very little urban development in the area and damage was limited to a dairy and several farm fields below the breached section. Equally fortunate, the Boise Project was able to act quickly and decisively to restore the canal deliveries in a matter of days.

In the succeeding years, extensive urban development has occurred above and below the New York Canal. In fact, in recent years this region has been one of the fastest growing urban areas in the country. The first six miles of the New York Canal pass through an area that was once dotted with farm fields, but is now packed with homes, parks, schools, hospitals, and industry. This portion of the New York Canal now passes through the heart of urban development in the Treasure Valley. Importantly, notwithstanding this development, the canal remains vital to the delivery of irrigation water to valuable farmland further downstream on the canal.

With the scope of urban development around the upper six miles of the New York Canal, the need to safely and reliably deliver irrigation water has never been greater. Today the canal remains the lifeline of the Treasure Valley, delivering water to grow a wide variety of specialty crops in the Valley. Annual direct crop value is \$228 million, indirect value from business-to-business spending is another \$128 million, and induced value from spending by the farms and their employees adds another \$130 million to the annual economic output for a total of \$486 million each year.

The New York Canal delivers water to farms that collectively provide 2,500 jobs. The indirect and induced employment increases that total to over 4,000 jobs. The total labor value is over \$190 million.

In addition, the Boise Project delivers irrigation (non-potable water) to thousands of acres of gardens, lawns, parks, and other green spaces where the crop land has been converted to other uses. As noted above, the New York Canal also delivers water to the Deer Flat Reservoir, an irrigation storage reservoir that also serves a National Fish and Wildlife Refuge and an important recreation facility.

Depending on the location of a potential canal break, the direct damage to structures below that break ranges from \$1.50 million to \$2.55 billion with an average damage estimate at \$502.31 million. These estimates do not include consequential economic losses associated with the damage to structures or crop losses.

The New York Canal Lining Project

Rapid and extensive urban growth has significantly impacted the time and expense required for the operation and maintenance of water delivery systems which now take more time and money to complete. One example of such a maintenance project requiring more time and money is the lining of the New York Canal. As stated above, this extraordinary maintenance project is part of the Boise Project's ongoing mission to ensure the continued safe and reliable delivery of water in the New York Canal.

The Boise Project is completely removing and replacing the existing 50-year-old canal liner in the areas of the canal that are perched 20-60 feet above urban development. In this area, any canal failure would result in extensive property damage to homes and businesses and possible harm to the health and safety of residents in the area. To provide greater protection than existed before, the Boise Project is lining the canal with a combination of a 6-inch cement liner poured over a synthetic fabric liner.

This lining process would not be necessary in a normal rural agricultural setting, but the extensive urban development near and below the canal have made it prudent for the Boise Project to spend the additional money and time to reduce even further the risk of a potential breach in the canal. More than ordinary or routine maintenance, the lining project is truly a rebuilding of the original 1909 canal using 21st Century technological advances in construction materials and processes. The result is a cost that is nearly quadruple (\$1,300/linear foot) that of a traditional irrigation canal lining project (\$335 /linear foot). In total, the anticipated cost for replacing the liner in the 6-miles of most concern is estimated at over \$50 million – though, given the impacts of inflation, this cost is expected to rise.

Although the Boise Project has dedicated a significant portion of its annual budget to this lining project, it is only able to complete 1/8 mile each year. At this rate, it will take nearly 50 years to complete the entire 6-mile project. The Boise Project has been proactive in seeking grants and other financial assistance to help speed up the project. They have received WaterSMART grants, state-based grants and have been approved for a loan under Reclamation's Aging Infrastructure loan program. While the Boise Project is committed to completing this important upgrade to the infrastructure of the New York Canal, our costs are assessed primarily to farmers and ranchers who have limited ability to service large amounts of long-term debt to complete this project on the more urgent timeline it requires, and who were not responsible for the urbanization around the upper canal that has led to this accelerated timeline for replacement of the liner.

Urban Canals of Concern

Congress has recognized that urban development has changed the realities for many canals throughout the West. In the Omnibus Public Lands Management Act of 2009 (P.L. 111-11), Congress charged Reclamation with identifying and inspecting “project facilities which are in proximity to urbanized areas and which could pose a risk to public safety or property damage if such project facilities were to fail.” 43 U.S.C. 510b(a)(1) & (2). These “urban canals of concern” include Idaho’s New York Canal.

H.R. 6107 Provides an Opportunity to Timely Address Extraordinary Maintenance Needs for Urban Canals of Concern

If enacted, H.R. 6107 would address some of these extraordinary maintenance needs of urban canals of concern by amending the Omnibus Public Lands Management Act of 2009 to provide non-reimbursable funds for 35% of the cost of extraordinary maintenance to rebuild and rehabilitate urban canals of concern, like the New York Canal. As discussed above, there are

unique and unexpected challenges that have arisen from urban expansion near irrigation water delivery systems.

Currently, the Omnibus Public Lands Management Act of 2009 authorizes Reclamation to provide up to 35% non-reimbursable funds for “emergency” extraordinary maintenance. Unfortunately, Reclamation to our knowledge has not used this authority for any major extraordinary maintenance on canals unless they have already failed. Urban canals of concern cannot afford to wait until they fail before their non-federal transferred work operators are eligible to receive such funding.

When these extraordinary replacement efforts are needed, as in the case of the New York Canal, it is typically because of urban encroachment and the concomitant need to provide new and more advanced construction and design techniques that were not necessary when the canals were originally constructed. The cost of addressing many of these challenges has quickly outpaced the ability of even the most frugal irrigation entities and their landowners. And the cost of not completing these important repairs would be many times greater if an urban canal should fail. The authority provided in H.R. 6107 would allow these water delivery entities to address the unique and costly challenges they face. For the New York Canal, such an opportunity would allow the lining projects to be completed in five to six years.

The reimbursable and non-reimbursable funds have already been appropriated into the Reclamation Aging Infrastructure Account by Congress through the Infrastructure Investments and Jobs Act.

Using Reimbursable Loan Funds as Non-Federal Match for Federal Grants

Each year, water users throughout Idaho take advantage of the WaterSMART grant programs provided by Reclamation. These programs can provide much needed financial assistance to cover a portion of the cost of water-related projects. Canals have been lined and improved, headgates have been replaced, watershed plans have been developed. This program has been a lifeline to Idaho’s and the entire West’s water user community.

These programs do not provide 100% of the cost of a particular project. Rather, they provide some “federal share” – up to 50% and sometimes much less – and require that a non-federal “match” be provided. These non-federal matches can be in the form of state grants, private contributions by the water users, or in-kind services. In some instances, loans may be required.

Through the Aging Infrastructure Account established by section 9603(d)(1) of the Omnibus Public Land Management Act of 2009, as amended (43 U.S.C. 510b(d)(1)), and the Infrastructure Investment and Jobs Act of 2021 (IIJA), Congress created and funded an aging water infrastructure loan program. This program provides long-term, low-interest loans to allow water users to address their aging infrastructure needs. It is important to emphasize that these are loans (i.e., reimbursable funding).

Unfortunately, absent express authority, Reclamation asserts that it is unable to treat these loans as a match for federal grant programs. This has created concerns for water users in Idaho and throughout the West as these loans are serviced with non-federal funds that would qualify as matching funds for these grants. Since aging infrastructure loans are repaid with qualifying non-federal funds, we believe funding provided by these loans should be allowed to be used as a non-federal match for federal grants.

H.R. 6107 amends the Omnibus Public Lands Management Act of 2009 to ensure that reimbursable funding (i.e., aging infrastructure loans) can be used to match federal grant programs. This will enable more Western water delivery entities operating Reclamation-owned transferred works to further leverage these reimbursable funding opportunities provided by the Omnibus Public Lands Management Act of 2009 and the IJA with other federal grants to greatly expand these modernization projects and improve water conservation on aging water infrastructure facilities in the West.

Thank you for the opportunity to provide testimony on H.R. 6107, the *Urban Canal Modernization Act*. The Boise Project urges the Subcommittee to support this legislation and would be happy to answer any questions Members of the Subcommittee may have.