

**Written Statement of Eric Witkoski, Executive Director
Colorado River Commission of Nevada**

**Before the House Natural Resources Subcommittee on Water, Wildlife and Fisheries
In support of H.R. 7776—Help Hoover Dam Act**

May 22, 2024

Good morning, Chairman Bentz, Ranking Member Huffman, Congresswoman Lee, and members of the subcommittee. Thank you for providing me with the opportunity to testify in support of the ***Help Hoover Dam Act (H.R. 7776)***.

My name is Eric Witkoski and I serve as the Executive Director of the Colorado River Commission of Nevada. My agency manages Nevada's allocation of electrical power resources from the Colorado River. We have joined with Hoover Dam power customers in California and Arizona, including the Metropolitan Water District of Southern California, the Irrigation and Electrical Districts Association of Arizona, and the Arizona Power Authority, to garner bipartisan and bicameral support from our respective representatives and Senators for this important legislation. I appreciate Congresswoman Susie Lee for her leadership and the Nevada congressional delegation for their support of **H.R. 7776**.

The ***Help Hoover Dam Act*** will give the U.S. Bureau of Reclamation (Reclamation) the authority to utilize stranded funds currently in the Colorado River Dam Fund. The bill will allow these otherwise trapped funds to be used for authorized activities related to the operation, maintenance, investment, cleanup actions, and capital improvements within the Boulder Canyon Project at Hoover Dam.¹

Hoover Dam is an iconic symbol of American ingenuity and pride, that provides renewable hydropower to western utilities in urban and rural communities and important industrial customers. The dam provides power, often at critical times, when the demand for energy is high and resources are scarce. Hoover Dam is a hydropower workhorse that was built over eighty years ago, and its aging plant and equipment needs to be replaced to keep the plant operating reliably. The hydropower customers that the dam serves are contractually obligated to pay for maintenance, repairs, and replacements at Hoover Dam. The same customers that are seeing these increased costs are also seeing reduced hydropower generation because of climate change and drought. The hydropower customers of Hoover Dam are seeking solutions to help mitigate the cost increases and **H.R. 7776**, is one of those solutions.

As way of background, the Boulder Canyon Project Act of 1928 set the terms for Hoover Dam construction, operation, and maintenance.² Each year, the Western Area Power

¹This includes funds in Colorado River Dam Fund account XXXR5656P1

²Boulder Canyon Project Act - <https://www.archives.gov/milestone-documents/boulder-canyon-project-act#:~:text=The%20Boulder%20Canyon%20Project%20Act,among%20the%20lower%20basin%20states>

Administration (commonly referred to as WAPA), an agency within the Department of Energy (DOE), collects funds through contract power rates from hydropower project contractors. Revenues from Hoover Dam power rates are deposited into the Colorado River Dam Fund, a revolving fund controlled by the Bureau of Reclamation as directed by the Boulder Canyon Project Act. Generally, the funds collected from Hoover Dam power contractors³ are authorized to be used to pay for the cost of operation, maintenance, and replacement at Hoover Dam.⁴

In addition to the fees collected for project purposes at Hoover Dam, DOE directed WAPA to collect an additional \$2 million annually from Hoover Dam power contractors to fund Post Retirement Benefits (PRBs) for WAPA and Reclamation's federal employees to cover any gap in benefits from Department of Labor allocations. This change started over 20 years ago based on a DOE policy decision, not a law change. However, Congress already provides appropriations to the Office of Personnel Management to cover that funding gap and ensures all retirement benefit costs are covered under the federal Civil Service Retirement and Disability Fund (CSRDF) 5 U.S.C. §8348 (f).

Reclamation sought advice from the Solicitor's office on what to do with these stranded PRB funds in the Colorado River Dam Fund. Reclamation was advised there was no authority to transfer the funds from the Colorado River Dam Fund to the U.S. Treasury. Further, Reclamation was advised not to use the stranded funds for Hoover Dam project purposes without clear direction from Congress. Consequently, the funds are stranded and will continue to accumulate in the account without Congressional action.

Reclamation works diligently to maintain Hoover Dam, but the plant will require major plant investments of \$110 million over the next five years and another \$117 million over the following six years to be paid by its customers.⁵ The **Help Hoover Dam Act** provides a much-needed solution to free up \$45 million, already paid by its customers, to be utilized for Hoover Dam's operation and plant investment at the plant. The stranded funds can make a substantial contribution to the continued operation of Hoover Dam.

We look forward to working with Reclamation as the legislation is implemented to ensure the funds are expended on important priorities for Hoover Dam.

Thank you for holding this hearing today, and I am happy to answer any questions that the Committee might have.

³ Hoover Power Contractors based on Hoover Power Allocation Act:

<https://crc.nv.gov/2017hooverallocation/files/Hoover%20factsheet%20-%202020130801.pdf>

⁴ Congress passed the Hoover Power Allocation Act of 2011, which authorized WAPA to enter into 50 year power contracts with state, municipal and utility entities for Hoover Dam hydropower (PL 112-72); the bill authorized WAPA to enter into contracts with existing entrants that received power from the 1984 Act and set new policies for new allottees to benefit from Hoover hydropower.

⁵ August 2023: Bureau of Reclamation's Boulder Canyon Project Preliminary 10 Year Operating Plan