

WATER AND POWER LEGISLATION

HEARING
BEFORE THE
SUBCOMMITTEE ON WATER AND POWER
OF THE
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
ONE HUNDRED ELEVENTH CONGRESS
SECOND SESSION
ON

S. 745	H.R. 1120
S. 1138	H.R. 1393
S. 1573	H.R. 2265
S. 3099	H.R. 2442
S. 3100	H.R. 2522
H.R. 325	H.R. 2741
H.R. 637	

APRIL 27, 2010



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WATER AND POWER LEGISLATION

TUESDAY, APRIL 27, 2010

U.S. SENATE,
SUBCOMMITTEE ON WATER AND POWER,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The subcommittee met, pursuant to notice, at 3:03 p.m. in room SD-366, Dirksen Senate Office Building, Hon. Debbie Stabenow presiding.

OPENING STATEMENT OF HON. DEBBIE STABENOW, U.S. SENATOR FROM MICHIGAN

Senator STABENOW. Good afternoon. I call this subcommittee to order. I welcome each of our witnesses today. It's my pleasure to have the opportunity to chair this meeting because it's a very important meeting on water use, of course, which is incredibly important as we think about the future of development and economic growth in the United States and how we properly manage our limited water resources.

We're seeing an increased demand for a finite existing supply of water, and how we manage that supply is a very important question for all of us today.

We'll be looking at several bills to authorize new projects under the Bureau of Reclamation's Water Reuse and Recycling Program, otherwise known as Title XVI, and other bills that emphasize the need to conserve water. The bills today demonstrate the popularity of Reclamation's Title XVI water recycling program. Communities of all sizes in several different States are working very hard to improve water efficiency in order to address their long-term needs.

The bills we're looking at today involve projects in Oregon, California, Utah, Arizona, and Texas, and cover a wide range of innovative ways to conserve water, from efforts to clean up chemical contamination in Utah to stretching municipal supplies in drought-stricken California, to obtaining an additional supply of water for agricultural purposes in Oregon. The Bureau of Reclamation plays an important role in assessing the feasibility of each of these projects and we look forward to hearing from the Bureau today.

With regard to the next steps for these bills, the subcommittee's goal will be to ensure that the bills we move forward are consistent with the criteria required by the legislation authorizing Title XVI programs. Accordingly, we'll be looking for projects that are technically and economically viable. I look forward to learning more about the proposed water recycling projects during our hearing today.

In addition, we have two bills on the agenda related to renewal of hydro licenses in Idaho. We will not be receiving any oral testimony today. We have received views from the Federal Regulatory Energy Commission on those bills. That will be made part of the record.

[The information follows:]

FEDERAL ENERGY REGULATORY COMMISSION,
Washington, DC, April 26, 2010.

Hon. JEFF BINGAMAN,
Chairman, Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC.

RE: S. 3099

DEAR CHAIRMAN BINGAMAN: This letter is in response to your request for my views on S.3099. That bill would require the Federal Energy Regulatory Commission to reinstate, and grant a three-year extension of the commencement of construction deadline of, the license for the proposed 1.5-megawatt Lateral 993 Hydroelectric Project No. 12423, to be located at the juncture of the 993 Lateral Canal and the North Gooding Main Canal, northwest of the town of Shoshone, in Lincoln County, Idaho.

The Commission issued an original license for this project, to American Falls Reservoir District No. 2 and Big Wood Canal, on September 26, 2003. The license provided that the company was required to commence project construction within two years of the date of the license, the maximum period permitted by section 13 of the Federal Power Act. The Commission subsequently granted a two-year extension of the commencement of construction deadline, again the maximum authorized by section 13. Construction had not commenced when that deadline expired, on September 26, 2007. Section 13 provides that, when construction has not timely commenced, the Commission must terminate the license. The Commission terminated the license by order dated August 3, 2009.

I and the last several Commission Chairmen have taken the position of not opposing legislation that would extend the commencement of construction deadline up to 10 years from the date that the license in question was issued. Where proposed extensions would run beyond that time, there has been a sense that the public interest is better served by releasing the site for other public uses. Because S. 3099 authorizes the Commission to grant a three-year extension from the date of the bill's enactment, assuming that the bill is enacted by September 26, 2010, thus extending the commencement of construction deadline to ten years from when the license was issued, I do not oppose the bill.

If I can be of further assistance to you on this or any other Commission matter, please let me know.

Sincerely,

JON WELLINGHOFF,
Chairman.

RE: S. 3100

DEAR CHAIRMAN BINGAMAN: This letter is in response to your request for my views on S.3100. That bill would require the Federal Energy Regulatory Commission to grant a three-year extension of the commencement of construction deadline for the proposed 1.5-megawatt Little Wood River Ranch II Hydroelectric Project No. 12063, to be located on the Little Wood River, near the town of Shoshone, in Lincoln County, Idaho, and to reinstate the project license if necessary.

The Commission issued an original license for this project, to William Arkoosh, on March 17, 2006. The license provided that the company was required to commence project construction within two years of the date of the license, the maximum period permitted by section 13 of the Federal Power Act. The Commission subsequently granted a two-year extension of the commencement of construction deadline, again the maximum authorized by section 13. Construction had not commenced when that deadline expired, on March 16, 2010. Section 13 provides that, when construction has not timely commenced, the Commission must terminate the license. The Commission has not yet taken any steps to do so.

I and the last several Commission Chairmen have taken the position of not opposing legislation that would extend the commencement of construction up to 10 years from the date that the license in question was issued. Where proposed extensions would run beyond that time, there has been a sense that the public interest is better

served by releasing the site for other public uses. Because S. 3100 authorizes the Commission to grant a three-year extension from the date of the bill's enactment, thus (assuming enactment during this session of Congress) extending the commencement of construction deadline to less than eight years from when the license was issued, I do not oppose the bill.

If I can be of further assistance to you on this or any other Commission matter, please let me know.

Sincerely,

JON WELLINGHOFF,
Chairman.

Senator STABENOW. Senator Brownback will be joining us as my ranking member in a few moments. But in the mean time, I want to thank Senator Wyden for his leadership on these and so many other issues and turn it to Senator Wyden for any comments.

[The prepared statements of Senators Feinstein and Hatch and Representative Edwards follow:]

PREPARED STATEMENT OF HON. DIANNE FEINSTEIN, U.S. SENATOR FROM
CALIFORNIA, ON S. 1138, H.R. 637, AND H.R. 2522

INTRODUCTION

Madam Chairwoman, thank you for conducting hearings on S.1138, the Bay Area Water Recycling Program Expansion Act of 2009; H.R.637, the South Orange County Recycled Water Enhancement Act; and H.R.2522, the Calleguas Municipal Water District Recycling Project. I speak in support of these three bills because collectively they will help relieve California's water shortage by providing federal funding to water treatment, recycling, and distribution facilities across the state.

California's ongoing water crisis requires our urgent attention, and authorizing federal participation in, and funding for, water recycling, is key to providing a secure and reliable water supply for California.

WHY THESE BILLS ARE IMPORTANT

Water supply remains a perennial challenge for California's leaders. Much of our population resides in areas with low rainfall, and a series of factors, including drought, climate change, federal water use restrictions, and the ever-increasing water needs of California's growing urban and agricultural centers, exacerbate California's chronic water shortage problem.

Although California may appear to be emerging from the recent three-year drought, water shortages persist. Our work is not yet complete. To help homes, businesses, and municipalities survive future drought crises, it is critical that we develop solutions to help conserve and secure new water supplies.

California has taken steps to do both. To illustrate, in 2009, Los Angeles imposed water use restrictions and increased rates for water use. This year, municipal and industrial water users south of the Delta have been restricted to 40 percent of their contractual water allocations from the State Water Project.

The federal government has long been involved in Western water issues. With these bills, we now can help California provide water for reliable and drought-proof water supply by helping communities reclaim and reuse water.

WHAT THESE BILLS DO

The first bill pending before the Subcommittee, called the Bay Area Water Recycling Program Expansion Act of 2009 (S.1138), will provide the Bay Area greater water management flexibility and help it meet its water needs.

This legislation will enable the San Francisco Bay Area Recycle Water Coalition, a group of regional water providers, to build six new projects and complete two previously authorized projects by authorizing federal funding for up to 25 percent of the costs of these water management projects.

Not only will this bill help to generate more than 8,000 acre-feet per year of new sustainable water supply, it will also help protect the local environment by generating a new sustainable water supply that reduces both wastewater discharges and the demand for fresh water from the Delta.

The second piece of legislation, called the South Orange County Recycled Water Enhancement Act H.R.637, supports the Moulton Niguel and Santa Margarita Water Districts in their collaborative effort to improve water recycling, water storage, and water treatment in South Orange County.

Their plans include constructing water facilities and 25,000 feet of pipes to store and deliver recycled water throughout San Juan Capistrano and San Clemente, as well as expand the existing Recycled Water Treatment Plant from 2.2 million gallons per day to 4.4 million gallons per day, and construct related infrastructure. These projects will help reduce the amount of reusable water that is discharged to the ocean, create new sources of water, and relieve the heavy water demand that this region places on the California Aqueduct and Colorado River Basin. The new water supply for the City of San Juan Capistrano will be 1,500 acre-feet of recycled water annually—about 16 percent of San Juan Capistrano’s average total annual water demand.

With its increasing population and increasing water consumption, South Orange County needs water management systems that will help it provide and transport new sources of water. This legislation authorizes federal funding of up to 25 percent of the costs of these water management projects to help this region meet its water needs.

The third and final bill, the Calleguas Municipal Water District Recycling Project H.R.2522, is another bill that will help alleviate California’s water shortage. This bill authorizes federal funding of up to 25 percent of costs for a 26-mile extension of a pipeline to collect salty water generated by groundwater desalting facilities and to move excess recycled water for reuse elsewhere. With the pipeline extension, Calleguas will be able to develop 43,000 acre-feet of new, local, reliable water supply. Funding this project will improve the water supply quality and quantity for 650,000 people in Ventura County.

CONCLUSION

In California, water is precious, competition for water is fierce, and conservation is critical.

Accordingly, California must increase the reliability, quantity and quality of its water supply. Now is the time to invest in new water technologies, such as water recycling, to meet increasing needs. These initiatives will allow partnerships of local water managers to treat wastewater and use the clean, recycled water for landscape irrigation and other uses, including golf courses, schools, city parks and other municipal facilities. These bills will undoubtedly help California meet its water needs.

Thank you.

PREPARED STATEMENT OF HON. ORRIN G. HATCH, U.S. SENATOR FROM UTAH,
ON S. 745

Madam Chairwoman, I want to thank you and the members of this subcommittee for holding this hearing today on S. 745, the Magna Water District Water Reuse and Groundwater Recharge Act of 2009. The city of Magna is plagued by perchlorate-contaminated wells resulting from decades of government sponsored rocket motor production. To reverse this contamination, the district has developed a bio-destruction process which combines wastewater and desalination brine. This innovative technology dramatically reduces the cost and time associated with perchlorate cleanup operations. Once proven at Magna, the technology will accelerate the clean-up of many other perchlorate sites throughout the United States.

This bill, Madam Chairwoman, would provide a federal match of 25 percent of the total cost of the project. The district has already invested a significant amount of its own funds and hopes the federal government will contribute its share to help solve a problem which resulted from a government sanctioned activity.

This project is critically important to the citizens of Magna for a number of reasons. Besides cleaning the water supply, it will allow the water district to reduce the use of high quality drinking water for irrigation, and it will showcase a new technology to attack a problem currently plaguing water districts throughout the U.S.

Madam Chairwoman, I understand that some members of this committee also have perchlorate contamination in their states. Promoting this technology will no doubt bring about a much swifter and cost effective solution to all of our nation’s perchlorate-contaminated sites. Again, I thank you and the members of this committee for holding this hearing and urge you to report this proposal to the full Senate. Thank you, Madam Chairwoman.

PREPARED STATEMENT OF HON. CHET EDWARDS, U.S. REPRESENTATIVE FROM TEXAS,
ON H.R. 1120

I would like to thank Chairwoman Stabenow, Ranking Member Brownback and the honorable Senators of the subcommittee for both holding today's hearing and for the opportunity to submit my statement regarding HR 1120, the Central Texas Water Recycling Act of 2009.

Our communities and nation have a responsibility to be good stewards of our water resources. That is why I introduced H.R. 1120, the Central Texas Water Recycling Act of 2009 that passed the House last year. The wise use of our water resources is something we should be investing in across the U.S. Encouraging water conservation is simply smart government. Central Texas often experiences periodic drought and it is important to promote water conservation measures that reduce our need for increased water supply.

This bill will authorize federal funding so that the Bureau of Reclamation is able to partner with city efforts to build an innovative water recycling program in partnership with my hometown of Waco, Texas and several neighboring communities. It supports efforts to manage water resources efficiently in McLennan County by strategically locating regional satellite treatment plants that will not only provide for conservation of our community's water supply but will also reduce cost to the taxpayers.

The initial projects under this legislation can provide up to 10 million gallons per day of reuse water, reducing the water supply demand of several cities that rely on Lake Waco as a primary source of drinking water. Instead of wasting valuable drinking water for use in factories and on golf courses, we will be able to use lower cost recycled wastewater for those purposes and save enough drinking water for over 20,000 households.

The bottom line is this. By being good stewards of our water supply, we will reduce water costs for businesses, save Central Texas taxpayers millions of dollars, and encourage economic growth in our area. Central Texas often experiences periodic drought and it is important to promote water conservation measures that reduce our need for increased water supply.

I want to thank Chairman Rahall, Ranking Member Hastings and the members of the House Natural Resources Committee for their key role in this bill's passage. This legislation has passed the House three times and when it becomes law, is the kind of bipartisan effort that shows what Congress can do when we work together on a bipartisan basis.

I also want to thank the mayors, City council and staff from the cities of Waco, Lorena, Robinson, Hewitt, Woodway, Bellmead and Lacy-Lakeview for their cooperative efforts that brought us here today.

Finally, I want to extend special credit to Waco's City Manager, Larry Groth, for his extraordinary leadership on this bill. Without his leadership, hard work and professionalism, we would not be here today, and as a citizen of Waco, I am grateful for his outstanding service to my hometown.

**STATEMENT OF HON. RON WYDEN, U.S. SENATOR
FROM OREGON**

Senator WYDEN. Thank you, Madam Chair. Thank you for the chance to come. You are a passionate and knowledgeable issue—knowledgeable advocate on what I think is the issue of the future, and that's water. These are so important and it's just great to have a chance to be with you.

The bill that you're looking at, of course, S. 1573, legislation to authorize the U.S. Bureau of Reclamation to participate in the construction of the city of Hermiston water recycling project, it's a green project and I'm hoping that it can get the green light to proceed. The farmers like it. It's good for the fish. The city has completed a feasibility report. The Bureau of Reclamation has formally concluded that the project meets the requirements of Title XVI. You can just kind of look at all the bases that the city of Hermiston has touched. The regional office of National Marine Fisheries has approved it. The House is in support of it. The Confederated Tribes in Eastern Oregon are on record. Ed Brookshier's going to give you

more details on the project today, but I just want my constituents to know I think they've done a great job dotting the i's and crossing the t's to literally get practically everybody imaginable for the project.

One last comment, and that is that the Bureau of Reclamation is going to come today and offer what I call the classic Catch 22 that our local jurisdictions face. In effect, the Bureau of Reclamation says that it won't support the authorization of the project at the same time that it proposes new funding criteria that only allows authorized projects to be considered.

So you just kind of scratch your head and say: OK, the city of Hermiston went out and completed every major requirement, including the feasibility studies by the Bureau, and now it's being told that even when you complete all the requirements, you still can't get authorized, and of course you can't get funded, as we know, if your project isn't authorized.

So locked in this Catch 22 are the good people of Hermiston and, with your leadership and particularly your knowledge about water policy, I'm hopeful that we can extricate Hermiston today and get this project approved.

So thank you very much and I look forward to working with you on this, as we have worked together on so many matters.

Senator STABENOW. Thank you very much, Senator Wyden, and congratulations to a community who has worked together to bring all the parties together. So that's I know a lot of hard work to be able to do that.

We will call on Senator Brownback when he joins us, but I think in the mean time we'll go ahead. We have one panel of witnesses today and we very much appreciate your time, and we appreciate all of your expertise as well. First we'll hear from Ms. Kira Finkler, who is the Deputy Commissioner of Reclamation and who will speak to the Reclamation bills on today's agenda. We welcome you back to the committee. It's always good to see you and appreciate your work on public lands issues over the years.

In addition, we have Tim Quinn with us, the Executive Director of the Association of California Water Agencies, who will testify regarding the bills involving California.

We appreciate your joining us today. We're also pleased to have Edward Brookshier, the City Manager from the city of Hermiston in Oregon, here to testify regarding S. 1573, sponsored by Senator Wyden. We look forward to hearing about the city of Hermiston's plans to utilize recycled water.

So we thank you all of you for being here and look forward to your testimony, and appreciate that we have two of our witnesses who have flown here from the West Coast, a little bit longer travel time to get here, so we appreciate that.

But first I would ask if Senator Brownback would like to make any comments before we turn to our witnesses.

**STATEMENT OF HON. SAM BROWNBACK, U.S. SENATOR
FROM KANSAS**

Senator BROWNBACK. I don't, Madam Chairwoman. Thank you very much. My apologies for being late. I look forward to the testimony. I've got an opening statement and will submit it for the

record, but in the interest of time I'd be just appreciative of hearing from our testifiers.

Thank you.

[The prepared statement of Senator Brownback follows:]

PREPARED STATEMENT OF HON. SAM BROWNBACK, U.S. SENATOR FROM KANSAS

Senator Stabenow, it's a pleasure to be here today, and I thank you for chairing this important hearing.

I am pleased to join you in welcoming the witnesses and members of the public.

The bills we have under consideration this afternoon intend to address a very serious issue facing certain regions of this country—the supply and availability of our water resources.

As drought is expected to persist in the Southwest, it is of the utmost importance that we put in place infrastructure and other measures that will reclaim and recycle this precious resource.

Almost 20 years ago, while faced with drought in the West, the 102nd Congress passed the Reclamation Wastewater and Groundwater Studies and Facilities Act.

Title 16 (XVI) of this law authorized the Bureau of Reclamation to—among other things—assist in the construction of facilities to reclaim and reuse wastewater.

All of the bills before us today are at different stages in the process, and I hope that we can determine their practicality. In addition, we should continue to ask what other options are available to ensure that we can continue to increase our opportunities for improving water supply and security, not only in the West, but also throughout the country.

Also on the docket today are two bills introduced by Senator Risch to extend the commencement of two hydroelectric facilities in Idaho.

While none of these pieces of legislation directly affect my home state, the ability to access clean, abundant sources of water is an issue that transcends physical boundaries.

The United States government and its agencies should recognize water resources are the purview of the individual state, and the citizens and groups within that state, for allocation decisions and recommendations on all water resources projects and their management. Each federal agency, including the Bureau of Reclamation, should recognize and work within the state's own water resources planning structure.

In Kansas, and most states in our region, there are multiple federal agencies with a role in water issues. These agencies, unfortunately, are often not well coordinated in their efforts. In fact, in some cases there are statutory or regulatory prohibitions preventing those agencies from being able to cooperate and share resources. This fact is limiting the ability of my state to adequately address issues within its borders. If the states are truly to lead planning and management of water resources, federal agencies must be willing and able to work cooperatively with each other and those states seeking assistance. Otherwise, significant time and funding is expended to overcome artificial and unreasonable barriers to cooperation.

While there have been significant impediments to more robust water development and modernization, there are definite areas of progress that have moved our region of the country towards greater utilization of this most valuable natural resource. Hopefully, today's hearing will provide us with more cooperative ideas in continuing our nation's progress in providing adequate water resources to every citizen within our borders.

Once again, I thank the witnesses for your presence and thank you, Senator Stabenow, for conducting this hearing.

Senator STABENOW. Thank you very much.

So we'll turn to Ms. Finkler. Welcome.

STATEMENT OF KIRA FINKLER, DEPUTY COMMISSIONER, EXTERNAL AND INTERGOVERNMENTAL AFFAIRS, BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR

Ms. FINKLER. Thank you, Madam Chairwoman and Senator Brownback. I am Kira Finkler, Deputy Commissioner at the Bureau of Reclamation, and I'm pleased to provide the Department's views on the 8 Reclamation bills before the subcommittee today. Seven of the eight Reclamation bills being considered concern au-

thorizations under the Reclamation Wastewater and Groundwater Study and Facilities Act, also known as Title XVI. Written statements have been submitted, so I will just summarize the Department's position on these seven.

Currently the Department cannot support these bills. As a general matter, please know that the Department does support the Title XVI program. The fiscal year 2011 budget requests \$29 million for the program as part of the Water Smart program and that's a 113 percent increase over the 2010 enacted level. As part of this total, the Department is requesting \$20 million for Title XVI projects that would be selected using criteria to identify activities most closely aligned with the statutory and program goals.

On March 15 we posted an announcement inviting comments on draft funding criteria and the comment period closed on April 16. Once the comment review is completed and the criteria are finalized, we will prepare a funding opportunity announcement. Of course, the funds available will be subject to the fiscal year 2011 Congressional appropriations.

We recognize that water reuse is an essential tool in stretching the limited water supplies in the West and we believe that our budget request, along with the \$135 million in Recovery Act funding that we allocated to Title XVI, demonstrates the high priority that the administration places on this program. However, we cannot support new Title XVI authorizations at this time because these projects would compete for funds with other needs within the Reclamation program, including other Title XVI projects currently under construction.

Reclamation has, however, continued to work with project sponsors to evaluate the completeness of their feasibility studies. Specifically, the seven Title XVI bills pending today, which authorize a total of 11 new projects, are at varying stages in the feasibility process, which I will briefly summarize now.

S. 745, the Utah project, has a complete study—I'm sorry—was certified as having a complete feasibility study back in July 2009. S. 1138, which authorizes a total of six new Title XVI projects in California as well as a cost ceiling increase for two already authorized projects, we have not certified any of the 6 new projects as having complete feasibility studies. S. 1573, the Oregon bill that was mentioned earlier, was certified as having a complete feasibility study earlier this month. H.R. 325, we have not yet received material sufficient to determine the completeness of the feasibility study for this proposed project in Arizona.

H.R. 637, In 2006 the city of San Juan Capistrano submitted its project study material for review. We determined that the material was not complete and requested additional material, and we haven't received any additional information since that time. Separately, the city of San Clemente, California, has not submitted any feasibility materials or other information for its portion of this project.

H.R. 1120, Reclamation certified the city of Waco's project in Texas as having a complete feasibility study in October 2009; and H.R. 2522, Reclamation certified this project as having a complete feasibility study in April 2000.

Separately, the last bill we will provide testimony on today is H.R. 1393, which would authorize an additional 19 water conservation projects under the existing Lower Rio Grande Valley Water Resources Conservation and Improvement Act program. Our fiscal year 2011 budget request for this program is \$50,000. However, with the need to direct resources toward ongoing projects and to operate, maintain, and rehabilitate existing projects, we cannot support this bill at this time.

First established by law in 2000 and as amended in 2002, the current program authorizes construction of 19 projects, with \$55 million authorized to be appropriated. To date, Reclamation has approved 16 project reports and 13 of the projects have begun construction. In general, the construction activities have outpaced appropriated funds. To date, approximately \$21 million of project reimbursements have been requested by the districts and about \$17.9 million has been paid. Given the large amount of funding still under the existing ceiling, as well as the factors cited previously, the Department cannot support this bill at this time.

Madam Chairwoman, this concludes my remarks. I'm pleased to answer any questions the subcommittee may have.

Thank you.

[The prepared statements of Ms. Finkler follow:]

PREPARED STATEMENTS OF KIRA FINKLER, DEPUTY COMMISSIONER, EXTERNAL AND INTERGOVERNMENTAL AFFAIRS, BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR

S. 745

Madam Chairwoman and Members of the Subcommittee, I am Kira Finkler, Deputy Commissioner for External and Intergovernmental Affairs at the Bureau of Reclamation (Reclamation). I am pleased to provide the views of the Department of the Interior (Department) on S. 745, the Magna Water District Water Reuse and Groundwater Recharge Project. For reasons I will discuss below, the Administration cannot support the bill.

S. 745 would amend the Reclamation Wastewater and Groundwater Study and Facilities Act (Public Law 102-575, 43 U.S.C. 390h et seq.), commonly called Title XVI, to authorize the Secretary of the Interior to participate in the design, planning, and construction of permanent facilities needed to establish recycled water distribution and wastewater treatment and reclamation facilities in the Magna Water District in Salt Lake County, Utah.

S. 745 authorizes a \$12 million (25 percent) Federal cost share for the project. The proposed project has an estimated total project cost of \$51 million and would reduce the District's reliance on high quality potable water by 580 million gallons (1,780 acre-feet) per year, currently used for non-potable water supply. Reclamation completed a review of the Magna Water District's Feasibility Study in July 2009, and made a finding that the District's report met the requirements of a feasibility study as defined under Section 1604 of Title XVI.

S. 745 would authorize the project under Title XVI for Federal funding not to exceed 25 percent or \$20 million, whichever is less.

While the Department supports efforts to increase local water supplies and increase recycled water use, this project would compete for funds with other needs within the Reclamation program, including other Title XVI projects currently under construction. In general, the Department supports the Title XVI Reclamation and Reuse program. The 2011 budget proposal includes funding for the Department's WaterSMART Program, and Title XVI is an important element of that program. Specifically, the 2011 budget proposal includes \$29 million for the Title XVI program, a 113% increase over the 2010 enacted level.

As part of this total, the Department is requesting \$20 million for Title XVI projects to be selected using criteria to identify activities most closely aligned with Title XVI statutory and program goals. On March 15, 2010, Reclamation posted an announcement inviting comment on draft funding criteria for Title XVI projects. After these criteria are finalized with comments received up through April 16, Rec-

lamation will review and rank Title XVI project proposals received based on those criteria subject to appropriations in fiscal year 2011.

Separately, in July of 2009, the Department announced the allocation of approximately \$135 million in grants for specific authorized Title XVI projects using funds from the American Recovery and Reinvestment Act, or ARRA. We recognize that water reuse is an essential tool in stretching the limited water supplies in the West, and I believe the FY 2011 Budget request on top of the ARRA funding has demonstrated the emphasis placed by this Administration on this Program. However, given that there are 53 already authorized Title XVI projects and numerous competing mission priorities and demands on Reclamation's budget, the Department cannot support the authorization of new Title XVI projects or extensions of existing authorized cost ceilings at this time.

Reclamation will, however, continue to work with project proponents to evaluate the completeness of feasibility studies of their projects.

Madam Chairwoman, this concludes my testimony. Thank you for the opportunity to comment on S. 745. I would be pleased to answer any questions at this time.

S. 1138

Madam Chairwoman and Members of the Subcommittee, I am Kira Finkler, Deputy Commissioner for External and Intergovernmental Affairs at the Bureau of Reclamation (Reclamation). I am pleased to provide the views of the Department of the Interior (Department) on S. 1138, the Bay Area Regional Water Recycling Program (BARWRP) Expansion Act of 2009. For reasons I will discuss below, the Administration cannot support the bill.

S. 1138 would amend the Reclamation Wastewater and Groundwater Study and Facilities Act (Public Law 102-575, 43 U.S.C. 390h et seq.), commonly called Title XVI, to authorize the Secretary of the Interior to participate in the design, planning, and construction of six new permanent facilities needed to reclaim, reuse, and treat groundwater and wastewater in the greater San Francisco Bay Area. The legislation would also increase the Federal cost share for two previously-authorized Title XVI projects in the same area from \$10.5 million to \$16.3 million. S. 1138 would increase the number of BARWRP projects from eight to fourteen. These new projects are being implemented by the Central Contra Costa Sanitary District, the Dublin San Ramon Services District, the City of Petaluma, the City of Redwood City, the City of Palo Alto, and the Ironhouse Sanitary District. The Federal cost share increases would be for the Delta Diablo Sanitation District and the Santa Clara Valley Water District.

New Projects

The Central Contra Costa Sanitary District's Concord Recycled Water Project feasibility report has been reviewed by Reclamation; a feasibility certification is expected to be made in April 2010.

The Dublin San Ramon Services District's Central Dublin Recycled Water Distribution and Retrofit Project's feasibility materials were determined complete in December 2009.

The City of Petaluma's Petaluma Recycled Water Project, Phase 2A, 2B, and 3 has not been determined to have a complete feasibility study. The City expects to submit feasibility materials by June 2010.

The City of Redwood City has not submitted a complete feasibility report, financial capability information, or a NEPA compliance document for Reclamation's review and determination for the Central Redwood City Recycled Water Project. The City is currently updating its city-wide General Plan; it is planned to be adopted by City Council in summer of 2010. Planning for the Central Redwood City project, including preparation of a feasibility report will begin after adoption of the General Plan.

The City of Palo Alto's Recycled Water Pipeline Project has not been determined to have a complete feasibility study. The City has not submitted financial capability information. The City anticipates submitting feasibility study materials by June 2010. The City continues to work on a NEPA compliance document.

The Ironhouse Sanitary District has not submitted a feasibility report, financial capability information, or a NEPA compliance document for Reclamation's review and determination for the Antioch Recycled Water Project. The District anticipates their recycled water master plan will be completed by the end of summer 2010. This plan will be the basis of the feasibility report that will be submitted in 2011. NEPA related work is also anticipated for 2011.

Previously Authorized Projects—Increased Cost Share

Delta Diablo Sanitation District's Antioch Recycled Water Project is authorized for construction, has been determined to have completed the necessary feasibility studies; it is financially capable under the Title XVI program, and is NEPA compliant.

Santa Clara Valley Water District's South Bay Advanced Recycled Water Treatment Facility is authorized for construction, has been determined to have completed the necessary feasibility studies; it is financially capable under the Title XVI program, and is NEPA compliant.

S. 1138 would authorize these projects under Title XVI for Federal funding with project-specific maximum Federal cost shares that do not to exceed 25 percent of the estimated total project cost.

While the Department supports efforts to increase local water supplies and increase recycled water use, these projects would compete for funds with other needs within the Reclamation program, including other Title XVI projects currently under construction. In general, the Department supports the Title XVI Reclamation and Reuse program. The 2011 budget proposal includes funding for the Department's WaterSMART Program, and Title XVI is an important element of that program. Specifically, the 2011 budget proposal includes \$29 million for the Title XVI program, a 113% increase over the 2010 enacted level.

As part of this total, the Department is requesting \$20 million for Title XVI projects to be selected using criteria to identify activities most closely aligned with Title XVI statutory and program goals. On March 15, 2010, Reclamation posted an announcement inviting comment on draft funding criteria for Title XVI projects. After these criteria are finalized with comments received up through April 16, Reclamation will review and rank Title XVI project proposals received based on those criteria subject to appropriations in fiscal year 2011.

Separately, in July of 2009, the Department announced the allocation of approximately \$135 million in grants for specific authorized Title XVI projects using funds from the American Recovery and Reinvestment Act of 2009, or ARRA. We recognize that water reuse is an essential tool in stretching the limited water supplies in the West, and I believe the FY 2011 Budget request on top of the ARRA funding has demonstrated the emphasis placed by this Administration on this Program. However, given that there are 53 already authorized Title XVI projects and numerous competing mission priorities and demands on Reclamation's budget, the Department cannot support the authorization of new Title XVI projects or extensions of existing authorized cost ceilings at this time.

Reclamation will, however, continue to work with project proponents to evaluate the feasibility of their projects.

Madam Chairwoman, this concludes my testimony. Thank you for the opportunity to comment on S. 1138. I would be pleased to answer any questions at this time.

S. 1573

Madam Chairwoman and Members of the Subcommittee, I am Kira Finkler, Deputy Commissioner for External and Intergovernmental Affairs at the Bureau of Reclamation (Reclamation). I am pleased to provide the views of the Department of the Interior (Department) on S. 1573, the City of Hermiston, Oregon, Water Recycling and Reuse Project. For reasons I will discuss below, the Administration cannot support the bill.

S. 1573 would amend the Reclamation Wastewater and Groundwater Study and Facilities Act (Public Law 102-575, 43 U.S.C. 390h et seq.), commonly called Title XVI, to authorize the Secretary of the Interior to participate in the design, planning, and construction of permanent facilities needed to reclaim and reuse wastewater in the City of Hermiston, Oregon. The project is being implemented by the City of Hermiston.

The City of Hermiston, located in north central Oregon, is one of the largest communities within Reclamation's Umatilla Project area. The project proposed by the City includes upgrades and construction at their existing wastewater treatment facility and construction of a delivery system that would deliver recycled water to the West Extension Irrigation District. The recycled water would be used by the District to irrigate agricultural lands. By 2031, it is estimated this proposed project would provide the District with an approximate 2,034 acre-feet of drought resistant water supply during the irrigation season. The current total estimated cost for this project is approximately \$25.8 million.

In January 2010, the City of Hermiston submitted their feasibility report to Reclamation for review under the Title XVI program. In April 2010, Reclamation's review team completed the review and made the certification that the proposed project

“Meets Requirements” as defined under section 1604 of Public Law 102-575, as amended.

The City and Reclamation’s Pacific Northwest Region are continuing to coordinate on actions that are necessary to be complete prior to implementation of the proposed project. This includes activities such as the determination of the project sponsor’s financial capability, completion of Federal environmental compliance actions, water contracts, water rights, and entering into a land use agreement since the delivery pipe is to cross Reclamation land.

S. 1573 would authorize the City of Hermiston’s project under Title XVI for Federal funding not to exceed 25 percent of the total cost of the project.

While the Department supports efforts to increase local water supplies and increase recycled water use, this project would compete for funds with other needs within the Reclamation program, including other Title XVI projects currently under construction. In general, the Department supports the Title XVI Reclamation and Reuse program. The 2011 budget proposal includes funding for the Department’s WaterSMART Program, and Title XVI is an important element of that program. Specifically, the 2011 budget proposal includes \$29 million for the Title XVI program, a 113% increase over the 2010 enacted level.

As part of this total, the Department is requesting \$20 million for Title XVI projects to be selected using criteria to identify activities most closely aligned with Title XVI statutory and program goals. On March 15, 2010, Reclamation posted an announcement inviting comment on draft funding criteria for Title XVI projects. After these criteria are finalized with comments received up through April 16, Reclamation will review and rank Title XVI project proposals received through a public funding opportunity announcement based on those criteria subject to appropriations in fiscal year 2011.

Separately, in July of 2009, the Department announced the allocation of approximately \$135 million in grants for specifically authorized Title XVI projects using funds from the American Recovery and Reinvestment Act, or ARRA. We recognize that water reuse is an essential tool in stretching the limited water supplies in the West, and I believe the FY 2011 Budget request on top of the ARRA funding has demonstrated the emphasis placed by this Administration on this Program. However, given that there are 53 already authorized Title XVI projects and numerous competing mission priorities and demands on Reclamation’s budget, the Department cannot support the authorization of new Title XVI projects or extensions of existing authorized cost ceilings at this time.

Reclamation will, however, continue to work with project proponents to evaluate the completeness of feasibility studies of their projects.

Madam Chairwoman, this concludes my testimony. Thank you for the opportunity to comment on S. 1573. I would be pleased to answer any questions at this time.

H.R. 325

Madam Chairwoman and Members of the Subcommittee, I am Kira Finkler, Deputy Commissioner for External and Intergovernmental Affairs at the Bureau of Reclamation. I am pleased to provide the views of the Department of the Interior (Department) on H.R. 325, the Avra/Black Wash Reclamation and Riparian Restoration Project Act. For reasons I will discuss below, the Administration cannot support the bill.

H.R. 325 would amend the Reclamation Wastewater and Groundwater Study and Facilities Act (Public Law 102-575, 43 U.S.C. 390h et seq.), commonly called Title XVI, to authorize the Secretary of the Interior to participate in the design, planning, and construction of permanent facilities needed to reclaim, reuse, and treat groundwater and wastewater in the Black Wash Sonoran Desert ecosystem, west of the metropolitan Tucson area in Arizona. The project is being implemented by Pima County.

Pima County is expanding the 1.5 million gallon per day (mgd) wastewater treatment facility to a capacity of 5 mgd. Currently, treated effluent is not reused. The proposed project would provide tertiary treatment and establish procedures to recharge the reclaimed water in ponds and the Black Wash. The treated effluent that was previously evaporated would instead recharge the aquifer, and state law would allow this recharge to be measured and stored as credits to be pumped at a later date. By recharging the water in the channel of Black Wash, riparian and wildlife habitat will be created, preserved and protected. The project includes plans to provide baseline ecological reconnaissance for monitoring of diversity and ecological health of the site.

Reclamation has been working with Pima County to review the technical, regulatory and contractual issues involved in the project but discussions have been pre-

liminary. To date, the steps necessary to prepare a feasibility report that meet the requirements for feasibility of a Title XVI project have only briefly been discussed. Because the technical studies are not complete, the feasibility, environmental impacts and cost effectiveness for this project cannot be determined.

H.R. 325 would authorize the project under Title XVI for Federal funding not to exceed 25 percent of the total project cost or \$14 million, whichever is less.

While the Department supports efforts to increase local water supplies and increase recycled water use, this project would compete for funds with other needs within the Reclamation program, including other Title XVI projects currently under construction. In general, the Department supports the Title XVI Reclamation and Reuse program. The 2011 budget proposal includes funding for the Department's WaterSMART Program, and Title XVI is an important element of that program. Specifically, the 2011 budget proposal includes \$29 million for the Title XVI program, a 113% increase over the 2010 enacted level.

As part of this total, the Department is requesting \$20 million for Title XVI projects to be selected using criteria to identify activities most closely aligned with Title XVI statutory and program goals. On March 15, 2010, Reclamation posted an announcement inviting comment on draft funding criteria for Title XVI projects. After these criteria are finalized with comments received up through April 16, Reclamation will review and rank Title XVI project proposals received based on those criteria subject to appropriations in fiscal year 2011.

Separately, in July of 2009, the Department announced the allocation of approximately \$135 million in grants for specific authorized Title XVI projects using funds from the American Recovery and Reinvestment Act, or ARRA. We recognize that water reuse is an essential tool in stretching the limited water supplies in the West, and I believe the FY 2011 Budget request on top of the ARRA funding has demonstrated the emphasis placed by this Administration on this Program. However, given that there are 53 already authorized Title XVI projects and numerous competing mission priorities and demands on Reclamation's budget, the Department cannot support the authorization of new Title XVI projects or extensions of existing authorized cost ceilings at this time.

Reclamation will, however, continue to work with project proponents to evaluate the completeness of feasibility studies of their projects.

Madam Chairwoman, this concludes my testimony. Thank you for the opportunity to comment on H.R. 325. I would be pleased to answer any questions at this time.

H.R. 637

Madam Chairwoman and Members of the Subcommittee, I am Kira Finkler, Deputy Commissioner for External and Intergovernmental Affairs at the Bureau of Reclamation (Reclamation). I am pleased to provide the views of the Department of the Interior (Department) on H.R. 637, the South Orange County Recycled Water Enhancement Act. For reasons I will discuss below, the Administration cannot support the bill.

H.R. 637 would amend the Reclamation Wastewater and Groundwater Study and Facilities Act (Public Law 102-575, 43 U.S.C. 390h et seq.), commonly called Title XVI, to authorize the Secretary of the Interior to participate in the design, planning, and construction of permanent facilities needed to reclaim, reuse, and treat wastewater in the southern part of Orange County, California. The project is being implemented by the cities of San Juan Capistrano and San Clemente.

Reclamation has very little information regarding these two water recycling projects. Neither city has been in contact with Reclamation recently regarding these projects, and Reclamation does not have any information regarding the current project descriptions.

In 2006, during the CalFed/Title XVI review that was completed pursuant to P.L. 108-361, the City of San Juan Capistrano submitted project study materials for review. Reclamation's review determined that the report did not meet 6 of the 9 criteria that were required for a complete feasibility report. The City has not provided any additional information since that time. The City of San Clemente has not submitted any study materials or other information for review.

H.R. 637 would authorize the projects under Title XVI for Federal funding not to exceed 25 percent or \$18.5 million for the San Juan Capistrano project or \$5 million for the San Clemente project, whichever is less.

While the Department supports efforts to increase local water supplies and increase recycled water use, this project would compete for funds with other needs within the Reclamation program, including other Title XVI projects currently under construction. In general, the Department supports the Title XVI Reclamation and Reuse program. The 2011 budget proposal includes funding for the Department's

WaterSMART Program, and Title XVI is an important element of that program. Specifically, the 2011 budget proposal includes \$29 million for the Title XVI program, a 113% increase over the 2010 enacted level.

As part of this total, the Department is requesting \$20 million for Title XVI projects to be selected using criteria to identify activities most closely aligned with Title XVI statutory and program goals. On March 15, 2010, Reclamation posted an announcement inviting comment on draft funding criteria for Title XVI projects. After these criteria are finalized with comments received up through April 16, Reclamation will review and rank Title XVI project proposals received based on those criteria subject to appropriations in fiscal year 2011.

Water conservation is a laudable goal and is becoming increasingly important in the arid West. As such, it is critical that the competitive Title XVI grants be directed at those projects that will do the most to reduce present or anticipated water conflicts. Also, when looking at proposed Title XVI projects, the full range of benefits and costs should be assessed. The Administration supports those conservation projects that achieve water savings while not being overly energy intensive or creating adverse environmental or health effects.

Separately, in July of 2009, the Department announced the allocation of approximately \$135 million in grants for specific authorized Title XVI projects using funds from the American Recovery and Reinvestment Act, or ARRA. We recognize that water reuse is an essential tool in stretching the limited water supplies in the West, and I believe the FY 2011 Budget request on top of the ARRA funding has demonstrated the emphasis placed by this Administration on this Program. However, given that there are 53 already authorized Title XVI projects and numerous competing mission priorities and demands on Reclamation's budget, the Department cannot support the authorization of new Title XVI projects or extensions of existing authorized cost ceilings at this time.

Reclamation will, however, continue to work with project proponents to evaluate the completeness of feasibility studies of their projects.

Madam Chairwoman, this concludes my testimony. Thank you for the opportunity to comment on H.R. 637. I would be pleased to answer any questions at this time.

H.R. 1120

Madam Chairwoman and Members of the Subcommittee, I am Kira Finkler, Deputy Commissioner for External and Intergovernmental Affairs at the Bureau of Reclamation (Reclamation). I am pleased provide the views of the Department of the Interior (Department) on H.R. 1120, the Central Texas Water Recycling Act of 2009. For reasons I will discuss below, the Administration cannot support the bill.

H.R. 1120 would amend the Reclamation Wastewater and Groundwater Study and Facilities Act (Public Law 102-575, 43 U.S.C. 390h et seq.), commonly called Title XVI, to authorize the Secretary of the Interior to participate in the design, planning, and construction of permanent facilities needed to reclaim and reuse water in McLennan County. The project is being implemented by the City of Waco.

The City of Waco (City) has projected a 12,000 acre-foot per year water deficit in 2060. The Brazos River Basin Regional Water Group, which includes the City of Waco and which reports water management recommendations to the State of Texas, recommended water reuse as an important management strategy in meeting this need. The City has identified numerous customers in the area with a total expected reuse demand of 3.0 million gallons per day. The City proposes to construct infrastructure to convey treated effluent to these customers.

The City submitted Title XVI feasibility materials to Reclamation on September 3, 2009, and an agency review team collaborated with the City on revising the report to meet Reclamation's Title XVI feasibility report requirements. Reclamation's team completed its review of the revised feasibility report and compared it to the criteria established in P.L. 102-575, as amended and Reclamation's Directives and Standards. Based on this review, the team recommended that the Great Plains Regional Director and the Policy and Administration Director concur that the feasibility report is complete. The Regional Director and Director of Policy and Administration provided concurrence on October 8 and October 13, 2009, respectively.

H.R. 1120 would authorize the project under Title XVI for Federal funding not to exceed 25 percent of the total project cost or \$20 million, whichever is less.

While the Department supports efforts to increase local water supplies and increase recycled water use, this project would compete with other Reclamation programs for funding, including other Title XVI projects currently under construction. In general, the Department supports the Title XVI Reclamation and Reuse program. The 2011 budget proposal includes funding for the Department's WaterSMART Program, and Title XVI is an important element of that program. Specifically, the 2011

budget proposal includes \$29 million for the Title XVI program, a 113% increase over the 2010 enacted level.

As part of this total, the Department is requesting \$20 million for Title XVI projects to be selected using criteria to identify activities most closely aligned with Title XVI statutory and program goals. On March 15, 2010, Reclamation posted an announcement inviting comment on draft funding criteria for Title XVI projects. After these criteria are finalized with comments received up through April 16, Reclamation will review and rank Title XVI project proposals received based on those criteria subject to appropriations in fiscal year 2011.

Separately, in July of 2009, the Department announced the allocation of approximately \$135 million in grants for specific authorized Title XVI projects using funds from the American Recovery and Reinvestment Act, or ARRA. We recognize that water reuse is an essential tool in stretching the limited water supplies in the West, and I believe the FY 2011 Budget request on top of the ARRA funding has demonstrated the emphasis placed by this Administration on this Program. However, given that there are 53 already authorized Title XVI projects and numerous competing mission priorities and demands on Reclamation's budget, the Department cannot support the authorization of new Title XVI projects or extensions of authorized existing cost ceilings at this time.

Reclamation will, however, continue to work with project proponents to evaluate the completeness of feasibility studies of their projects.

Madam Chairwoman, this concludes my testimony. Thank you for the opportunity to comment on H.R. 1120. I would be pleased to answer any questions at this time.

H.R. 1393

Madam Chairman, I am Deputy Commissioner Kira Finkler, Deputy Commissioner for External and Intergovernmental Affairs at the Bureau of Reclamation (Reclamation). I am pleased to present the views of the Department of the Interior (Department) on H.R. 1393, a bill to amend the Lower Rio Grande Valley Water Resources Conservation and Improvement Act of 2000 (Act) to authorize additional projects and activities. For reasons I will discuss below, the Administration cannot support the bill.

H.R. 1393 authorizes an additional 19 water conservation projects, which include the replacement of canals and laterals with pipelines, the lining of canals and laterals, the installation of water measurement and telemetry systems, the renovation and replacement of pumping plants, and other activities that will result in the conservation of water. The legislation would enable the Secretary to fund up to 50% of the total cost of these projects once they meet the review criteria and project requirements in the Act. The purpose of this bill is to provide water saving measures to areas in Texas that continue to suffer from drought.

The Department lauds local and state efforts to improve and encourage water efficiency and to responsibly manage water quantity in the border region. The Department testified in general support (with some suggested revisions) of the original legislation that became P.L. 106-576 and of the subsequent amendment (P.L. 107-351). Together, these laws authorized 19 projects with a cost ceiling of \$47,000,000. The amendments offered in H.R. 1393 appear to maintain the intent of the existing bill while authorizing an additional 19 projects with a cost ceiling of \$42,356,145. Reclamation's Fiscal Year 2011 appropriations request for this program is \$50,000, which does not include non-Federal funds. However, with the need to direct resources toward constructing ongoing projects, and to operate, maintain, and rehabilitate existing projects, we cannot support adding additional projects to the long list of already authorized projects awaiting Federal funding.

Implementation of P.L. 106-576

Since late December of 2000, when P.L. 106-576 was enacted, Reclamation has been working successfully and cooperatively with local entities in the Lower Rio Grande Valley, the Texas Water Development Board, and the Texas Agricultural Extension Service of Texas A&M University. The first requirement of the public law was issuance of criteria by which Reclamation would administer the law and determine project eligibility for federal funding. These criteria were prepared, shared with state, local and other federal entities, and issued in late June 2001, within the six month timeframe required by the law.

Next, the irrigation districts involved with the 19 currently authorized projects and the Texas Water Development Board worked with Reclamation to begin planning, designing and construction of authorized projects. To date, Reclamation has approved 16 Project Reports and 13 of the projects have initiated construction, eight of which are substantially complete and under operation.

Project Scope and Cost

The emphasis placed by the Act on the initial 19 authorized projects is primarily on a project's scope, not upon its costs. For example, the scope of each authorized project is defined by the language in the Act itself and in the cited engineering report. In some cases, the specificity of this language has limited the authorization of (and therefore Reclamation's participation in) a project to only a portion of what an irrigation district has proposed to construct. The total project costs of each of these projects are not, however, specified in the legislation or in the cited engineering reports, but are determined once the authorized components are sufficiently developed in the Project Report and a project budget developed. In accordance with Section 4(b) of the Act, the Federal share of each project is then determined to be 50 percent of this total project cost.

In contrast, the emphasis that would be placed by H.R. 1393 on the second 19 projects considered for authorization would be on the project's cost, not upon its scope. Without changing the conditions for implementation of the first 19 projects, H.R. 1393 imposes different conditions for implementation on the proposed 19 projects. For example, unlike the previous two bills, Section 2(b) of H.R. 1393 would amend the Act to authorize virtually any project component that would result in the conservation of water or an improved supply of water, whether or not this component lies within the scope of the cited engineering report for that project. Also unlike the Act, H.R. 1393 would identify a maximum total cost for each project, half of the sum of which equals the identified ceiling. Furthermore, Section 3 of H.R. 1393 maintains separate ceilings for each of the groups of projects; namely, \$47,000,000 (2001 dollars) for projects 1 thru 19, and \$42,356,145 (2004 dollars) for projects 20 thru 38.

These differences, while not affecting the requirements for project qualification, would require somewhat different treatment of projects with regard to determining scope and cost, depending upon specific project authorizations.

Cost Indexing

After the budget authority for these 19 projects is given, H.R. 1393 includes the phrase "2004 dollars" in parentheses. This is similar to the language included in Section 4 (c) of the original Act, as amended. To eliminate any question about Reclamation's authority to index costs for either group of 19 projects, Reclamation recommends that Section 4 (c) of the Lower Rio Grande Valley Water Resources Conservation and Improvement Act of 2000 (Public Law 106-576; 114 Stat. 3067) be amended by replacing these two phrases with the following: "plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein."

Project Planning

The proposed legislation pre-authorizes projects that have had limited, if any, involvement from the Bureau of Reclamation in the project planning and development process, and which have not undergone Administration review. Although the Administration supports the efforts of local project beneficiaries to address their local water needs, we cannot support authorization nor provide funding for projects that have not undergone rigorous Administration review.

Conclusion

Madam Chairwoman, we recognize the importance of improving the efficiency of use and delivery of water in this part of the country. However, given the numerous other requirements on Reclamation's budget, such as funding the ongoing operation, maintenance, and rehabilitation of our existing projects and funding for ongoing authorized rural water projects and Native American settlements, we are unable to fund the activities that are already authorized. The Federal government strives to leverage its resources to those projects that have benefits that exceed costs and foster locally-based solutions that do not require Federal investment in perpetuity.

In addition to the specific provisions identified in this testimony, Reclamation would be happy to work with the Committee to address any questions that may arise through the legislative process.

Madam Chairwoman, this concludes my testimony. I am pleased to answer any questions.

H.R. 2522

Madam Chairwoman and Members of the Subcommittee, I am Kira Finkler, Deputy Commissioner for External and Intergovernmental Affairs at the Bureau of Reclamation (Reclamation). I am pleased to provide the views of the Department of the

Interior (Department) on H.R. 2522, a proposal to raise the ceiling on the Federal share of the cost of the Calleguas Municipal Water District (District) Recycling Project. For reasons I will discuss below, the Administration cannot support the bill.

H.R. 2522 would amend the Reclamation Wastewater and Groundwater Study and Facilities Act (Public Law 102-575, 43 U.S.C. 390h et seq.), commonly called Title XVI, to increase the ceiling on the Federal share of the costs of the Calleguas project to \$60 million. This project is authorized by Section 1616 of Title XVI, and the Federal share of this project is currently limited to 25 percent of the total cost, or a maximum contribution of \$20 million.

The District submitted a feasibility study as required by the Title XVI statute, and it was certified as complete in April of 2000. The feasibility study included nine distinct components: five wastewater reclamation and reuse projects, three brackish groundwater recovery projects, and a regional brine disposal project. A cooperative agreement was executed in September 2000, to provide Federal funding for one of the wastewater reclamation and reuse projects known as the Conejo Creek Diversion Project. This project was completed in September, 2003, and is currently producing about 9,000 acre-feet of recycled water annually. The total Federal share for this component was almost \$1.7 million.

In January, 2003, a cooperative agreement was executed to provide federal funding for the Regional Brine Line component. To date, Reclamation has provided about \$10 million to the District as the federal share of costs for this facility, which will provide a means to dispose of brine wastes from facilities such as brackish groundwater recovery projects throughout Ventura County. In addition, Reclamation has executed a cooperative agreement with the District to provide about \$5 million from the American Recovery and Reinvestment Act (ARRA) for a specific reach of the Brine Line.

The Regional Brine Line is being constructed in three phases, starting with Phase 1 near the coast, and progressing inland. The current estimated cost of Phase 1, which includes an ocean outfall, is about \$76 million. The 25 percent federal share of Phase 1 would be \$19 million, which would obviously be reduced slightly because Reclamation has already provided \$1.7 million for the Conejo Creek Diversion Project. The last reach of Phase 1 is the ARRA-funded section, which is scheduled to be completed in 2011, after which this reach will be placed in operation.

Due to the current ceiling, there would be no additional Federal funds available for Phases 2 and 3, which together are estimated to cost about \$145 million; nor for any of the remaining seven projects that were identified in the feasibility study due to the current ceiling.

H.R. 1219 would authorize an additional \$40 million for the Calleguas project under Title XVI, which would establish the Federal funding as not to exceed 25 percent or \$60 million, whichever is less.

While the Department supports efforts to increase local water supplies and increase recycled water use, this project would compete for funds with other needs within the Reclamation program, including other Title XVI projects currently under construction. In general, the Department supports the Title XVI Reclamation and Reuse program. The 2011 budget proposal includes funding for the Department's WaterSMART Program, and Title XVI is an important element of that program. Specifically, the 2011 budget proposal includes \$29 million for the Title XVI program, a 113% increase over the 2010 enacted level.

As part of this total, the Department is requesting \$20 million for Title XVI projects to be selected using criteria to identify activities most closely aligned with Title XVI statutory and program goals. On March 15, 2010, Reclamation posted an announcement inviting comment on draft funding criteria for Title XVI projects. After these criteria are finalized with comments received up through April 16, Reclamation will review and rank Title XVI project proposals received based on those criteria subject to appropriations in fiscal year 2011.

Separately, in July of 2009, the Department announced the allocation of approximately \$135 million in grants for specific authorized Title XVI projects using funds from the American Recovery and Reinvestment Act, or ARRA. We recognize that water reuse is an essential tool in stretching the limited water supplies in the West, and I believe the FY 2011 Budget request on top of the ARRA funding has demonstrated the emphasis placed by this Administration on this Program. However, given that there are 53 already authorized Title XVI projects and numerous competing mission priorities and demands on Reclamation's budget, the Department cannot support the authorization of new Title XVI projects or extensions of existing cost ceilings at this time.

Reclamation will, however, continue to work with project proponents to evaluate the completeness of feasibility studies of their projects.

Madam Chairwoman, this concludes my testimony. Thank you for the opportunity to comment on H.R. 2522. I would be pleased to answer any questions at this time.

Senator STABENOW. Thank you very much.
Dr. Quinn, welcome.

**STATEMENT OF TIMOTHY QUINN, EXECUTIVE DIRECTOR,
ASSOCIATION OF CALIFORNIA WATER AGENCIES**

Mr. QUINN. Thank you very much. Madam Chairwoman, Senator Brownback, thank you very much for the opportunity to appear here today.

I want to commend you for holding these hearings. Your timing is certainly right from a California perspective. My name is Tim Quinn. I'm the Executive Director of the Association of California Water Agencies. I represent 450 public agencies that deliver about 90 percent of the water in California. They are highly diverse. They all believe investing in these sorts of resources is essential for California's future and for water policy in the country.

I've been asked to address 3 bills in particular that affect California. To do so, I don't pretend to be an expert on how you get water reclamation done. I have spent my career forging water policy in California, responding to crises, and what I'd like to do is summarize for you the policy context in California and why we believe that what you're considering here so well fits the policies that we need to go into the 21st century in California.

In particular, to get to the 3 bills, ACWA strongly favors your favorable action to move through the process the 3 bills that affect California water reuse, and they are illustrative of the many different ways in which water reuse and more efficient use of water can play a role in western water management.

S. 1138 and H.R. 2442 will increase water reuse in communities throughout the Bay Area up near San Francisco. H.R. 637 would increase water reuse in coastal Orange County, specifically in the cities of San Juan Capistrano and San Clemente. H.R. 2522 will allow additional stages of construction of a brine line in northwest Los Angeles County to allow them to extend considerably their efforts to clean up contaminated groundwater and return that to useful use, therefore reducing demands for imported water from northern California.

All sorts of different types of projects, the same theme: How are you more efficient about using water as part of a comprehensive program to right the ship in California? It certainly needs to be righted. We're managing water, in part due to drought, more due to increased, very aggressive implementation of the Endangered Species Act in my home State.

The fact that we're in crisis is well understood, I think, by people in the Federal Government. Recently Secretary Salazar noted in an interview with the editorial board of the Los Angeles Times, he said that California economy could, quote, "go to hell in a handbasket," end quote—pardon the Secretary's language, but I don't think he's overstating the case—unless we do something about the water crisis in the State of California. The Secretary went on to likening our water situation to, quote, "a ticking time bomb," end quote.

Two weeks ago, on the House side Assistant Secretary Anne Castle testified before the House Energy and Water Subcommittee on Appropriations and said, quote: “The situation in California’s Bay Delta ecosystem is a full-blown crisis that requires all hands on deck.”

To meet that crisis, the California legislature in November 2009 passed a comprehensive set of legislation, controversial but still broadly supported. I’d like to briefly describe that for you and then let you understand how we think the action before you today fits that policy more or less like a glove, or at least one of the fingers of the glove.

The legislation passed by the California legislature and subsequently signed by Governor Schwarzenegger contained four policy bills and a bond, a water bond to help finance the public’s portion of a very aggressive, comprehensive solution for California. From a policy perspective, those bills focused California on what they call coequal goals, that is managing the system to reflect the fact that water supply reliability and ecosystem restoration are equally important as a matter of policy in the State of California.

The bills include new governance institutions for how decisions are made about our Delta, where the Sacramento and San Joaquin Rivers come together. They also include for the first time statewide requirements for locally controlled groundwater monitoring and for enhanced enforcement of water rights provisions in the State of California, and for very aggressive conservation and local resource development as the backbone of our water supplies in the future.

From a physical perspective, the future that is embodied in this legislation, think of it as a 3-legged stool and each leg is as important as the other. We’re looking to invest heavily in 3 broad areas of investment. The first one is new infrastructure. We need a better conveyance system in our Delta. We need more storage to manage the system, both for fishery purposes and for water supply purposes, and those are contained in this policy.

The second leg of the stool are habitat, investments in habitat and watersheds, which many in my community have thought that’s where they found the pork in previous proposals. But if you truly believe in coequal values you have to invest in the habitat while you’re investing in water supply reliability.

The third leg of that stool is a very aggressive program to invest in local resources—recycling, desalination, watershed improvements, any place you can find to get more out of your local water supplies, to reduce demands on the imported systems. That is a central tenet, a central component of California’s vision of its physical future, and it’s in that context that this hearing is very welcomed because to us it’s responsive to the government, the Federal Government, offering a partnership with the State government to implement one of the crucial legs of that 3-legged stool that California needs to operate its system for coequal environmental and economic goals in the future.

I still have a few minutes. I want to emphasize the importance of the local resources, particularly the Title XVI program. I hear the administration, they seem to be saying, why don’t you people slow down to our pace. But from California’s perspective, it’s imperative that we ask them to hurry up and catch up to us, because

we don't have a lot of time. We need to accelerate the investments in local resources, not slow them down. So we would certainly urge you to move these bills and encourage the Obama administration to start supporting at least \$75 million annually in its Title XVI program.

Let me close by emphasizing that California is prepared to pay its portion of this comprehensive program in partnership with the Federal Government. I mentioned that the four policy bills that the legislature moved were accompanied by a water bond, only one of a series that the voters in California have approved. This will go to them in November. Very briefly, this bond is for \$11 billion. That 11 breaks down into 3 pretty easy to understand pieces, a 4, a 4, and a 3, that are designed to fit the comprehensive policy.

There's \$4 billion from various chapters of the bond for local resource development, from drought relief to groundwater contamination cleanup to recycling and conservation efforts. That's the largest commitment in the history of California to local resource development as a part of a comprehensive plan.

The second 4 is \$4 billion for habitat improvements and watershed programs. The last 3 is \$3 billion continuously appropriated to a California Water Commission for distribution to projects, storage projects that can be constructed and help the system operate, not only for water supply, but for temperature flow and diversion requirements that will help recover our fisheries.

It's a comprehensive package and we're very pleased that the Federal Government is willing to partner with us on one important leg of that 3-legged stool.

I would be glad to answer any questions at the appropriate time.
[The prepared statement of Mr. Quinn follows:]

PREPARED STATEMENT OF TIMOTHY QUINN, EXECUTIVE DIRECTOR, ASSOCIATION OF CALIFORNIA WATER AGENCIES, ON S. 1138, H.R. 637, AND H.R. 2522

Madame Chairman and members of the subcommittee, The Association of California Water Agencies (ACWA) appreciates this opportunity to present testimony on the California water bills that are part of today's agenda and comment on their important role in helping California address its ongoing water crisis, the worst in our state's history. My name is Tim Quinn and I am the Executive Director of ACWA. ACWA is the largest coalition of public water agencies in the country. Its nearly 450 public agency members are collectively responsible for 90% of the water delivered to cities, farms and businesses in California.

ACWA is pleased to favor S. 1138/H.R. 2442, to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to expand the Bay Area Regional Water Recycling Program, and for other purposes; H.R. 637, to authorize the Secretary, in cooperation with the City of San Juan Capistrano, California, to participate in the design, planning, and construction of an advanced water treatment plant facility and recycled water system, and for other purposes; and H.R. 2522, to raise the ceiling on the Federal share of the cost of the Calleguas Municipal Water District Recycling Project, and for other purposes. These bills are sponsored by members from both sides of the California delegation and demonstrate our state's overall broad and strong support for the Title XVI Program.

The projects in these bills are designed to provide important benefits. S. 1138, which builds on the success of last Congress, will enable the San Francisco Bay Area Recycle Water Coalition (BARWC) to build six new projects and fully fund two previously authorized projects. The regional Coalition is a partnership of fourteen public agencies committed to developing highly leveraged, locally managed recycled water as a longterm, sustainable solution for communities that will help ensure the security of water supplies in the Bay-Delta for years to come. In the past two years, the coalition partners have started or finished construction on 4 projects that have received federal appropriations, and 3 more projects are approaching construction. The six new projects requesting authorization today in S. 1138 will generate over

8,000 acre-feet per year of new sustainable water supply. It will reduce wastewater discharges to aquatic environments, and reduce the demand for limited fresh water from our fragile Bay-Delta system. Additionally, the Bay Area Recycle Water Coalition is requesting that the bill be amended to include three BARWC projects that joined the coalition since the House companion bill HR 2442 was introduced a year ago. These three projects will yield 12,400 AFY. With funding assistance, these projects can approach construction within 24 months. When added to the current projects in S 1138, the near-term yield is over 20,000 AFY of water, which is over 6.6 billion gallons per year or 18.2 million gallons per day. That's enough water to meet the needs of approximately 60,000 homes. Finally, the Bay Area coalition requests that the bill be amended to include the same language inserted in H.R.2442 at the request of the Congressional Budget Office, to clarify that funding in the bill is subject to appropriations.

Another important Project, H.R. 637—the South Orange County Recycled Water Enhancement Act—authorizes the Bureau to participate in the design, planning, and construction of an advanced water treatment plant facility and recycled water system. This Project supports state efforts to improve water supply and reliability by reducing the amount of reusable water being discharged to the ocean, while creating a new source of water that does not place a burden on the limited imported water supply from the California Aqueduct System and the Colorado River Basin. The Project is critical to expanding water supply reliability. In partnership with local Cites and water districts, the Project would provide recycled water for non-potable and irrigation consumers. The resultant recycled water will lessen local demand on imported water and is a significant step towards creating a local sustainable water supply.

H.R. 2522 will authorize Bureau of Reclamation support for Phases 2 and 3 of the Calleguas Municipal Water District Recycling Project. The Calleguas project has been found feasible by the BOR. The Project is vital to Ventura County's water reliability as imported supplies become increasingly vulnerable to drought, climate change, catastrophic levee failures from flood and/or seismic events, and regulatory shutdowns of pumping facilities for habitat protection. The Project will improve water supply reliability and reduce dependence on imported water supplies by making it possible to put local brackish water supplies to beneficial use. By treating groundwater to remove salts and moving those salts away from surface waters and groundwater, water agencies in Ventura County solve a water quality problem, while improving local water supply reliability. Completion of Phases 2 and 3 of the Project will facilitate the reclamation and reuse of about 43,000 acre-feet per year of water.

Madame Chairman and members of the subcommittee, on behalf of ACWA's Board of Directors, I want to commend you for convening this hearing. The hearing is especially timely. California is experiencing an immediate and urgent crisis in water supply as a result of the combined effects of drought and increasingly stringent regulation under the Endangered Species Act. In March, Secretary of the Interior Ken Salazar, in an interview with the editorial board of the Los Angeles Times said, "I would say that the people of California recognize that water is the lifeblood of their communities. . .and the economy is going to go to hell in a hand basket in California unless something happens that is credible with respect to the water supply issues—north, south and the bay delta. So I would just say California. . . You're sitting on a ticking time bomb, and you better get your act together, because otherwise the bomb's going to go off." (L.A. Times, March 22, 2010)

And two weeks ago, Anne Castle, the Assistant Secretary for Water and Science, Department of Interior, testified to the House Energy and Water subcommittee on appropriations that "The situation in California's Bay-Delta ecosystem is a full-blown crisis that requires all hands on deck."

In November 2009, the state of California passed historic legislation to tackle the water crisis head-on. The legislative package, which includes four policy bills and a proposed water resources bond, makes it the policy of California to achieve the "Coequal goals. . .of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem."

To accomplish the coequal goals, the legislation calls for the implementation of an aggressive, comprehensive water management program that requires investment in three broad areas:

- 1) New infrastructure, including improved conveyance in the Sacramento-San Joaquin Delta and new surface and groundwater storage;
- 2) Habitat restoration and watershed improvements to help restore natural functions in the ecological system; and

3) Local water resource development projects, including water recycling, brackish and sea water desalination, water use efficiency and other projects to increase local water supply resources and thereby reduce demands for imported water.

This hearing provides assurances that Congress recognizes the urgency of the California water crisis and is acting to support the implementation of key elements in the California comprehensive water management strategy. Recycling projects like those in northern and southern California under consideration here today are an extremely important source of new supply from ACWA's statewide perspective. They are vital to meeting growing water demands in a manner consistent with the state's new comprehensive water management strategy. To the extent their implementation can be significantly accelerated, these projects can help combat the immediate crisis in California arising from drought, and excessively restrictive regulations on water supply under the Endangered Species Act.

In her testimony, Secretary Castle said Interior "continues to aggressively pursue a comprehensive water supply and restoration plan" for California. Part of this plan is their newly announced WaterSMART program. Interior is requesting \$29 million in Fiscal Year 2011 to fund projects such as the ones we are discussing today through the Title XVI program. ACWA welcomes Interior's support for increased funding for the Title XVI program but recommends at least \$75 million each year should be requested by the Department to help reduce the large backlog of unfunded authorized projects. This could leverage at least \$225 million per year of local dollars into the program.

ACWA also commends the proposal by Rep. Grace Napolitano, Chair of the House Water and Power subcommittee that the Obama Administration commit to establishing a \$200 million Title XVI Program foundation with a goal of creating up to 1 million acrefeet of water within a timeframe of the next 48 to 60 months.

California is more than prepared to pay its share of the costs of this urgently needed comprehensive program. In the past decade, California voters and water rate payers have invested billions for better water management and ecosystem improvements in our state. The recent legislation includes not only four policy bills, but also an \$11 billion bond. If approved by the voters in November, the "Safe, Clean, and Reliable Drinking Water Supply Act of 2010" would provide the largest financial boost in history—more than \$4 billion for local resource development including additional water recycling. The remaining funds in the bond would help finance habitat restoration in the Delta watershed improvements statewide (about \$4 billion), and public benefits from new storage infrastructure (\$3 billion).

The California bills before you today are one important part of the comprehensive solution that ACWA's members are seeking. ACWA believes the projects contained within S 1138, HR 2522, and HR 637 can provide vital water supply and other benefits. If fully appropriated, these projects combined would leverage \$116.7 million in federal funding with \$371.1 million in local funding. And perhaps most importantly, as the WaterReuse Association has previously testified to this subcommittee, other significant project benefits could include: "Environmental benefits realized through the conversion of treated wastewater into a valuable new water supply; Reduction of the quantity of treated wastewater discharged to sensitive or impaired surface waters; Reduced dependence on the Colorado River and on the Bay-Delta System, especially during drought years when conflicts on both of these water systems are particularly intense; Creation of a dependable and controllable local source of supply; Reduced demand on existing potable supplies; and Energy benefits realized by the replacement of more energy intensive water supplies such as pumped imported water with less energy intensive water sources like recycled water."^{*}

Conclusion

Madame Chairman and members of the subcommittee, thank you again for the opportunity to present testimony today. In summary: ACWA is pleased to favor the California bills before you today as one important part of a comprehensive solution to achieving the co-equal goals of restoring environmental health and providing a more reliable water supply to California. This completes my statement. At the appropriate time, I would be happy to answer any questions that you may have.

Senator STABENOW. Thank you very much.
Mr. Brookshier, welcome.

^{*}Testimony The Bureau of Reclamation's Reuse and Recycling Program.

**STATEMENT OF ED BROOKSHIER, CITY MANAGER, CITY OF
HERMISTON, HERMISTON, OR**

Mr. BROOKSHIER. Thank you, Chairwoman Stabenow, Senator Brownback. Thank you for holding this hearing and allowing me to testify in support of S. 1573 that will authorize the Bureau of Reclamation to participate in the construction of the city of Hermiston's water recycling project. My name is Ed Brookshier and I am the City Manager for the city of Hermiston, Oregon.

I want to publicly thank Senator Ron Wyden for his time today and for introducing this important piece of legislation that is crucial to the city's reclamation and reuse of its municipal wastewater. This reclamation effort will provide high quality class A recycled water for reuse as a source of irrigation supply.

The city's recycled water production is estimated to be 3600 acre-feet annually, of which half will go toward supplying irrigation and half will be discharged to the Umatilla River, which is a quality-controlled salmonid stream in the winter. This new partial source of drought-proof irrigation water will provide an added supply to the Bureau of Reclamation-owned and locally operated West Extension Irrigation District.

A comprehensive feasibility study has been completed on the project and the Bureau of Reclamation has certified that it meets the requirements to be eligible for the Bureau's Title XVI water recycling program.

Hermiston, Oregon, is a progressive, growth-oriented urban center in the northeast part of Oregon with a total trade population of approximately 300,000 people. We are located in a relatively dry section of the State, positioned between the Cascade Mountains to the west and the Blue Mountains to the east. Hermiston is placed in a unique geographical area that offers an extended growing season and a variety of agricultural crops and products.

The benefits of developing a high-quality source of recycled water, followed by its use as a source of irrigation, are numerous and extend to the West Extension Irrigation District, the city of Hermiston, the Confederated Tribes of the Umatilla Indian Reservation, and the region as a whole.

The West Extension Irrigation District benefits from this project by obtaining an additional source of supply which is both high in quality and drought-proof. Since water is delivered to the district, energy required for pumping is also reduced by approximately \$13,000 a year annually. In addition, the 1800 acre-feet of irrigation water provided annually will supply water to 600 acres, reducing the demand for the district's surface water supplies. Finally, this added supply source of irrigation water improves the district's operational flexibility.

The Confederated Tribes of the Umatilla Indian Reservation will also benefit from development of high-quality recycled water throughout the year. These benefits include a significant improvement in the quality of recycled water discharged to the Umatilla River in winter, further protecting sensitive salmonid habitat during summer when the recycled water is used for irrigation.

The region as a whole benefits from treatment that develops high-quality recycled water. This water source is protective of the environment in both summer and winter and provides an added

source of irrigation supply to agriculture, which is the backbone of the Hermiston economy.

Madam Chairwoman, while I understand and appreciate the strict budgetary limitations that your committee and Congress as a whole are faced with, I believe that the Hermiston recycled water facility is a worthwhile Federal investment due to the numerous Federal objectives that will be advanced through this project. Combined with the serious regulatory issues which the city of Hermiston faces and the need for additional drought-proof sources of recycled water for irrigation, it is essential that we complete construction of this project in a timely manner. Federal participation in this endeavor is vital to assure that this becomes a reality.

This concludes my testimony and I would be happy to answer any questions you may have. Thank you.

[The prepared statement of Mr. Brookshier follows:]

PREPARED STATEMENT OF ED BROOKSHIER, CITY MANAGER, CITY OF HERMISTON,
HERMISTON, OR

Chairman Stabenow and Members of the Subcommittee, thank you for holding this hearing and allowing me to testify in support of S.1573, that will authorize the Bureau of Reclamation to participate in the construction of the City of Hermiston Water Recycling Project. My name is Ed Brookshier and I am the City Manager for the City of Hermiston, Oregon. I wish to publicly thank Senator Ron Wyden for introducing this important piece of legislation that is crucial to the City's reclamation and reuse of its municipal wastewater. This reclamation effort will provide a high quality recycled water for reuse as a source of irrigation supply. The City's recycled water production is estimated to be 3,600 acre-feet annually, of which 1,800 Acre-feet will supply irrigation and 1,800 acre-feet will be discharged to the Umatilla River in winter. This new partial source of drought proof irrigation water will provide an added supply to the Bureau of Reclamation owned and locally operated West Extension Irrigation District. A comprehensive feasibility study has been completed on the project and the Bureau of Reclamation has certified that it meets the requirements to be eligible for the Bureau's Title XVI Water Recycling Program.

Hermiston, Oregon is a progressive, growth-oriented urban center with a total trade area population of 320,900. Located in a relatively dry section of the state of Oregon, positioned between the Cascade Mountains to the west and the Blue Mountains to the East, Hermiston is placed in a unique geographical area that offers an extended growing season and a variety of agricultural crops and products. The immediate Hermiston area has been able to diversify its economy with food processing, cold storage and warehousing and distribution facilities.

The benefits of developing a high quality source of recycled water followed by its use as a source of irrigation are numerous and extend to: The West Extension Irrigation District, the City of Hermiston, The Confederated Tribes of the Umatilla Indian Reservation and the region as a whole.

The West Extension Irrigation District benefits from this project by obtaining an additional source of supply, which is both high in quality and drought proof. Since water is delivered to the District, energy required for pumping is also reduced by approximately \$13,000 annually. In addition, the 1,800 acre-feet of irrigation water provided annually will supply water to 600 acres, reducing the demand on the District's surface water supply sources. Finally, this added source of partial irrigation water improves the District's operational flexibility.

The City of Hermiston benefits primarily through meeting its upcoming National Pollutant Discharge Elimination System Permit (NPDES). This permit requires the City to both develop a high-quality recycled water and remove its discharge from the Umatilla River continuously from April 1 to October 31 of each year. The West Extension Irrigation District provides the long term, multi-farm discharge option that allows the City to remove its discharge from the River during this period of each year. If the City is unable to discharge to the District it will be in continuous violation of current temperature standards and periodic violation of the ammonia standard contained within the City's NPDES Permit. Secondary benefits to the City include a reduction in energy cost from reduced pumping, estimated to be \$42,000 annually, and the certainty that this solution, though expensive, will provide service for decades to come.

The Confederated Tribes of the Umatilla Indian Reservation will also benefit from development of high-quality recycled water throughout the year. These benefits include a significant improvement in the quality of recycled water discharged to the Umatilla River in winter, further protection of sensitive salmonid habitat during summer when the recycled water is used for irrigation in lieu of River discharge, increased environmental monitoring at the recycled water treatment facility and the long-term nature of this solution.

The region as a whole also benefits from treatment that develops high-quality recycled water. This water source is protective of the environment in both summer and winter and provides an added source of irrigation supply to agriculture, which is the backbone of the Hermiston economy. The Hermiston Water Recycling Project is estimated to be completed and online in 2 ½ years. This effort will have an immediate economic impact to our local economy as much needed jobs will be created through an infrastructure project of this size. More importantly, the addition of the new and reliable water source created by this project will have a profound long-term impact to the farming industry in our area which faces an uncertain future due to dwindling water supplies.

Madam Chairman, while I understand and appreciate the strict budgetary limitations that your Committee and Congress as a whole are faced with, I believe that the Hermiston Recycled Water facility is a worthwhile federal investment due to the numerous federal objectives that will be advanced through this project. Combined with the serious regulatory issues the City of Hermiston is faced with and the need for added drought proof sources of recycled water in the Hermiston Area for irrigation, it is essential that we complete construction of this project in a timely manner. Federal participation in this endeavor is vital to ensure that this becomes a reality.

This concludes my testimony. I will be happy to answer any questions that you may have.

Senator STABENOW. Thank you very much.

We'll now open for questions. First I would ask Ms. Finkler. In the testimony, you're indicating that the administration supports efforts to increase local water supplies through recycled water use and that Reclamation has increased funding for Title XVI for the next fiscal year, but that you can't support the authorization of new Title XVI projects at this time. So in the face of increasing concerns about water availability, whether due to drought, climate change, environmental needs, population increases, what else do you think can be done to help address the funding backlog that exists for these projects?

Ms. FINKLER. Thank you, Senator. I think that the criteria that we are currently working on we hope will help address the backlog by providing some useful metrics that we can review and rank and prioritize proposed projects that will give us the best bang for our buck, that would be the most cost effective, and, hopefully coupled with the additional resources in the 2011 budget, as you mentioned, along with the Recovery Act money, that will help us address the backlog that exists.

Senator STABENOW. I know you've received comments regarding the new criteria. Have you had a chance to really synthesize that? I'm wondering if you're anticipating any major revisions to the criteria and, if so, when would you anticipate that coming out?

Ms. FINKLER. Thank you, Senator. My understanding is that right now we're just continuing to go through the comments. We received about 18—comments from about 18 different entities. Most of the comments were minor tweaks and we expect to have the final criteria posted some time in June.

Senator STABENOW. During a recent workshop in California, Reclamation and other Federal agencies announced a proposal to initiate some water use and recycling test cases. Have there been any further developments regarding those proposed test projects?

Ms. FINKLER. Yes, thank you, Senator. This is part of the administration's effort to really have an "all hands on deck" attitude and working toward the California challenges. There has been a regional team put together of Department of Agriculture, Department of the Interior, EPA, as well as the relevant State agencies to take the information that we received at the roundtable in Sacramento and, based on that and sharing of information about how best we could cooperate and coordinate our programs, that they would come up with some draft proposals.

Then we have committed to a public meeting later this summer where we can share those draft proposals and get some feedback from the public.

Senator STABENOW. Dr. Quinn, did you have any comments related to that? I don't know if you would want to comment at all on the test projects that they're talking about?

Mr. QUINN. Not at this time, thank you.

Senator STABENOW. Thank you. Great.

Then regarding S. 1573 related to the project in Hermiston, which involves the use of the Title XVI program to create recycled water that can be used in irrigation, municipal and tribal purposes, is this a project—is this a good example of the wide variety of projects that can be funded through Title XVI?

Ms. FINKLER. I think so, yes. The fact that you're using the water to irrigate agricultural lands is a great way to diversify the uses of Title XVI, as well as here there are multiple benefits, as you mentioned, that there would be benefits for the ag land, for the community, and also for the environment.

Senator STABENOW. Let me ask, Dr. Quinn. Several of the projects you testified about have yet to receive a feasibility determination from the Bureau of Reclamation, which makes it difficult for the committee to determine which one of those should move forward at this point. Are you aware of any problems those project proponents are experiencing in obtaining the feasibility determinations?

Mr. QUINN. I don't have specific knowledge of that. I can certainly check with the project proponents. As I indicated, I'm not here so much as an expert on those individual projects as I am for how they fit into the broader policy framework we're trying to develop in California.

Senator STABENOW. Sure, I understand.

Does the Association of California Water Agencies support Reclamation's efforts to develop criteria to assist in prioritizing funding? What comments did the agency submit regarding the proposed criteria?

Mr. QUINN. We do support their efforts, subject to the important caveat that we would like to see it be part of accelerating implementation of these projects instead of a reason for not implementing such projects. Like a lot of others, we have specific concerns, but are more than willing to work in good faith with Reclamation to deal with those specific comments, and can certainly see the value of having a well thought out set of criteria to guide those dollars to projects quicker so that we can get projects out there sooner.

Senator STABENOW. Thank you.

My time is up. I'll turn it to Senator Brownback.

Senator BROWNBACK. Thanks, Madam Chairwoman.

Ms. Finkler, how much of the \$135 million in grants authorized under the ARRA for Title XVI projects has been spent and how much has been obligated?

Ms. FINKLER. Thank you, Senator. To date \$93.4 million has been obligated and \$3.4 million has been spent.

Senator BROWNBACK. So you've got still roughly what, \$42 million that hasn't been obligated?

Ms. FINKLER. That's right. Also, just to provide a little bit more information on the actual money that's spent, the proponents are really in the driver's seat once the money has been obligated to get to the next point of it actually being spent or have us writing the check. We would wait for them to submit their cost to us and then we reimburse those costs.

Senator BROWNBACK. I guess the point I want to make sure that I get to, if you've got \$42 million that's unobligated at this point, but you're opposed to all of these projects based on funding, I take it, where's that \$42 million going to go?

Ms. FINKLER. That's a good question. We went through a process once the Recovery Act funding was made available to set up criteria based on the Recovery Act, so how quickly you can get the money out the door. Then there are a series of steps that need to take place before the project is ready to go for construction, such as completing the feasibility study, making sure all the NEPA and other environmental clearances are done. There has to be an approved determination of financial capability, and then finally completing the cooperative agreement for financial assistance.

So my guess is—and I can find out for certain and provide this for the record if that's all right—my guess is that those are still completing that process.

Senator BROWNBACK. Of these projects that you're opposed to today?

Ms. FINKLER. No. The ones that would be funded with the Recovery Act are ones that have already been authorized by Congress.

Senator BROWNBACK. I guess maybe I'm a bit confused. You're opposing all these on funding grounds. You've got \$42 million that's unobligated, but you're saying these are too far back in the approval process, they need more work before they can qualify for the \$42 million?

Ms. FINKLER. We have actually—the whole backlog for the Title XVI authorized projects is about \$620 million. So the Recovery Act will help us with the backlog, but even with the \$40 million, as you mentioned, there's still a large backlog of the ones that have already been authorized by Congress. The ones before us today are ones that actually have not been authorized by Congress, so they are further behind in the queue. Does that make sense?

Senator BROWNBACK. Yes, that helps me a lot.

Dr. Quinn, you said that the Endangered Species Act is hitting water problems in California in a major way? Did I get your statement right on that?

Mr. QUINN. Yes, you did, sir.

Senator BROWNBACK. Can you quantify that for me?

Mr. QUINN. In terms of the water supply? Let me give you just one example.

Senator BROWNBAC. Yes, just how much water is the Endangered Species taking out of the system for California to be able to use?

Mr. QUINN. During an 8-week period from the middle of January to the middle of March, the Endangered Species Act restrictions on the system cost water suppliers south of the Delta 478,000 acre-feet of water.

Senator BROWNBAC. 478,000 acre-feet of water?

Mr. QUINN. That's almost the amount of water that the entire city of L.A. would use for a year.

Senator BROWNBAC. Wow.

Mr. QUINN. We are talking very large volumes. We are struggling with very high levels of conflict between what the species need and water supply needs, and it has risen to truly crisis proportions.

Senator BROWNBAC. Nearly half a million acre-feet of water pulled out of the system, is that correct?

Mr. QUINN. In an 8-week period. That was water that was previously, before the biological opinions we're operating under now, you could have pumped that water and today we were not allowed to pump that water. Oftentimes, because of rules to protect fisheries, we were highly skeptical that the fisheries were actually getting much protection.

Senator BROWNBAC. Is there an appeal going on about that?

Mr. QUINN. We went for 10 years without suing each other in California. We've gotten past that now and there are some—there are dozens and dozens of lawsuits. In particular, there are before a Federal court in Fresno, there are cases involving both the Delta smelt biological opinions and the salmon biological opinions.

Senator BROWNBAC. Should we be considering amendments in Congress on this to give some alleviation? Because I think it's pretty obvious, if you've got \$600 million in projects ahead of you and we've got \$42 million allocated, I don't see a whole lot of likelihood that number's going to tenfold increase for you. It doesn't look like this is going to be very likely to move any time soon—Ms. Finkler, you can correct me on this—and otherwise you're just going to be left where you are.

Mr. QUINN. Let me answer it this way. It has been suggested that part of the solution is changes in the act here in the Congress. My organization has not taken a position one way or another on that legislation. With that said, we believe it's imperative that we change how we're implementing the Endangered Species Act in California, probably elsewhere, to get better results both for water supply and for the species we're trying to protect.

ACWA also strongly believes that aggressive implementation of local resources like the Title XVI project, let's accelerate them, get them implemented faster. We believe that too can be part of a solution to manage the system in the near term as well as the long term.

Senator BROWNBAC. It seems like some flexibility here might be prudent, at least for a period of time, to figure out some of these localized solutions that can address the endangered species need, but also the clear water needs, too.

Mr. QUINN. We believe the Interior Department has the flexibility to work with us to come up with better ways to manage the system.

Senator BROWNBACK. Good.

Thank you, chairwoman.

Senator STABENOW. Thank you.

Just one follow-up question, Dr. Quinn, on that. It sounded like from your formal testimony in the beginning that this was implementation, California implementation as it relates to the Endangered Species Act; is that right or no?

Mr. QUINN. I don't think so.

Senator STABENOW. OK.

Mr. QUINN. If I said that, I misspoke.

Senator STABENOW. OK. That's what I was trying to clarify for sure, because that is a Federal statute.

Mr. QUINN. We have a State Endangered Species Act that's playing a role here as well.

Senator STABENOW. It is also playing?

Mr. QUINN. We get to wrestle with both.

Senator STABENOW. OK, thank you.

Mr. Brookshier, have you done a calculation of how much the recycled water produced by the project that you're sponsoring will cost as compared to the current water supply for irrigation uses? I guess I would say if it's more expensive, is it important to have an alternative supply because the existing supply is insufficient or unreliable?

Mr. BROOKSHIER. The existing supply may not be expanded, so in a sense the value of this added water may not be calculated. I think if you put it on a per-acre-foot basis versus the cost of the project, \$500—\$700, \$700 per acre-foot. But again, to emphasize that there is no—the district there does not have any other source of water, and actually they're in a position where they may be calling in some other rights in the area that would be quite detrimental to the general agricultural economy in the area.

We estimate that this project in ag retention represents several hundred jobs, because that's how critical it is for the district that we're working with on this.

Senator STABENOW. So it really is a question of insufficient?

Mr. BROOKSHIER. Yes, yes.

Senator STABENOW. You don't have the water.

Mr. BROOKSHIER. There simply is no more water, that's correct.

Senator STABENOW. Does the city receive compensation from the West Extension Irrigation District for the recycled water?

Mr. BROOKSHIER. No, no. This will be provided at no cost to them. Actually, it's still a benefit to us. It's a gravity system. We will save on our current pumping costs, so there's some energy savings involved here. Again, it meets our temperature needs that we have to adhere to during summer months because of the salmonid issue. So it's an excellent, excellent situation for the city as well as the district, and the tribal government as well, in terms of their salmonid interests.

Senator STABENOW. You mentioned the tribes, so I assume there are agreements in place with the Consolidated Tribes?

Mr. BROOKSHIER. Yes. We have—in fact, I think it's been introduced into the letter or into the record—a recommendation in support of the project from the tribes. I think they recognize—I know they recognize it as the best answer to summer temperature issues while providing a very, very, very high quality of recycled water into the streams during winter low flow months. So they do consider it of benefit.

Senator STABENOW. Could you explain in more detail how the city plans to use the recycled water to help meet the requirements of the city's national pollutant discharge elimination system, which is authorized by the Clean Water Act?

Mr. BROOKSHIER. Right, right. Those are primarily temperature issues. Between April and October of each year, under our forthcoming permit we will not be—we simply cannot meet temperature requirements during those months. One way or the other, we have no choice but to get out of the river during that period. The opportunity to put that to reuse with our irrigation community that so much needs the supply is a win-win for both of us.

Senator STABENOW. Thank you.

Dr. Quinn, S. 1138 is supported by the Bay Area Recycling Coalition. I wonder if you might speak a little bit about the benefits for having a regional basis, a regional agreement? What are the examples of the positives that you've found in working together on a regional basis?

Mr. QUINN. Just by way of background, before I came to my current job I worked for the Metropolitan Water District of Southern California, which is of course a regional water manager that gets good advantage out of economies of scale in developing these kinds of projects. What's happening in northern California is something like that. There are 14 agencies, cities and public water agencies that have formed a coalition, the Bay Area Recycled Water Coalition.

What's before you now is one of the steps that they're trying to take to cooperate to build themselves to a scale where you might not have a demand for the water, but your neighbor might have a demand for the water coming out of your recycling plant, so by combining together they can get to much better economics, much broader application of recycling water and efficiencies.

I commend them for going through the hard work to develop these regional alliances, because it's not always easy to overcome some of the provincial boundaries of individual local agencies.

Senator STABENOW. Sure, absolutely.

How does the development of more water recycling projects in southern California decrease the need for imported water from the California Bay Delta or the Colorado River System?

Mr. QUINN. It's pretty much an acre-foot for acre-foot. Think of it as a recycling project allows you to get much more use, much more efficiency, out of that imported acre-foot of water. So instead of using it once and letting it run down the Santa Anna River and out to the ocean, you're using it multiple times, which reduces the number of acre-feet that you need to move over the Tehachapi Mountains or from east to west through the Colorado River Aqueduct.

Recycling projects are the No. 1 way in which southern California will reduce its demands for imported water in the future, and they're absolutely committed to do that. They know they need to fix the import system, particularly in the Bay Delta, to lower conflict between water supply operations and what the fisheries need. But southern California is absolutely committed to their growth being met through increased efficiencies and local resource development. So it's vital in that regard.

Senator STABENOW. Thank you.

Finally, you've talked about the fact that your organization supports at least \$75 million per year in funding for Title XVI. Yet, given all the projects that we're looking at, we're still looking at tremendous needs at this point that wouldn't be addressed by that, and several years of efforts before we could truly address those.

From your perspective, is there anything else that should be done at this point, or is it all a matter of resources?

Mr. QUINN. I'm not sure exactly how to answer that question. If I'm not hitting the mark, please ask it again. My organization, my State, believes we have to have a comprehensive solution. We think it's appropriate to ask for some assistance from Washington through the Title XVI program, but the vast amount of money to be spent on this comprehensive solution is going to come in California, in part from bonds and in major part from water rates going up.

Virtually all of my member agencies are struggling with their local publics because they're having to raise water rates to cope in the 21st century to accomplish coequal goals. So we have no choice but to strive to aggressively implement a comprehensive program, of which these recycling projects are an important part. As I said, I think our strategy has to be to say to the administration, please catch up to us, don't ask us to slow down to you.

Senator STABENOW. Thank you very much. We appreciate very much both of you traveling to be here today.

Ms. Finkler, H.R. 1393 is a bill to authorize additional water conservation projects as part of the Lower Rio Grande Valley Water Resources Conservation and Improvement Act of 2000. Your testimony indicates that the administration can't support authorization or funding for those projects that have not undergone rigorous administration review. What should the project sponsors do to obtain the necessary review? Are there standards in place that would guide them regarding the review process?

Ms. FINKLER. Thank you, Senator. The original law in 2000 that created this program actually required us to come up with some criteria for the original 19 projects. So we would implement, if this bill were enacted into law, implement in the same way, using that same criteria. It's similar criteria to feasibility studies for Title XVI, the Title XVI program. So I would think that the project proponents of these additional projects would—should look to that criteria that we've been using for the original projects.

Senator STABENOW. Regarding an additional project, H.R. 325, your testimony notes that the Bureau has not yet prepared a feasibility report for the Avra/Black Wash Project in Arizona and that the necessary technical studies have not been completed. Similar testimony was also provided about this project in 2008. Has Pima

County done any technical work which has been submitted to the BOR for review, and does the Bureau know the basis for the \$14 million authorized for the project?

Ms. FINKLER. Thank you, Madam Chair. No, I don't know the basis for their estimated cost. Since we last testified in 2008, we haven't received any additional substantive information from the county with respect to any engineering or technical information that would allow us to proceed forward.

Senator STABENOW. Thank you. I believe that at this point I've completed the questions that I have and we'll conclude for the day. This hearing is adjourned. Thank you very much.

[Whereupon, at 3:50 p.m., the hearing was adjourned.]

APPENDIXES

APPENDIX I

Responses to Additional Questions

RESPONSES OF ED BROOKSHIER TO QUESTIONS FROM SENATOR BROWNBACK

Question 1. How much ARRA funding has Oregon received to help finance Title XVI projects?

Answer. Oregon has received no ARRA funding to help finance Title XVI projects.
Citations: <http://recovery.doi.gov/press/bureaus/bureau-of-reclamation/title-xvi-projects/> http://www.waterandwastewater.com/www_services/news_center/publish/article_001757.shtml

Question 2. Beyond the certification of the feasibility study, where in the process is the city and the BOR for determining federal environmental compliance actions, water contracts, determination of the project sponsor's financial capability and so on?

Answer. The City has completed the environmental compliance process for funding under the Clean Water State Revolving Fund (CWSRF) program. The CWSRF environmental process was modeled after the National Environmental Policy Act (NEPA) requirements. Because the CWSRF is federally funded by the U.S. EPA and disbursed by the Oregon Department of Environmental Quality (DEQ), EPA has consulted with several federal agencies regarding the City's proposed project. Results included a Final Biological Opinion from the National Marine Fisheries Service (NMFS) and an informal consultation letter from US Fish and Wildlife Service (USFWS). Based on our discussions with the Bureau of Reclamation (BOR) staff the NEPA process is anticipated to be completed quickly and will be based largely on significant work completed for the CWSRF process. Based on the strength of the CWSRF review we do not anticipate that additional reports or data will be required to complete the NEPA process.

The City will be required to apply for and obtain Removal-Fill permits from the Oregon Division of State Lands (ODSL) and from the U.S. Army Corps of Engineers for the Phase II in-water portion of the project necessary to install the winter outfall to the Umatilla River. The Endangered Species Act consultation completed in March 2010 provides the materials and guidance necessary to obtain both permits.

The City and West Extension Irrigation District (WEID) have developed and signed a Memorandum of Understanding (MOU) establishing the mutual value of working to develop a recycled water discharge to WEID for the future. Based on the strength of the MOU, both are actively engaged with BOR in developing the operating agreement for delivery of this Class A recycled water to WEID's distribution canal. The operating agreement is expected to be finalized within three months.

Determination of the project sponsor's financial capability is expected to be completed within one month.

ASSOCIATION OF CALIFORNIA WATER AGENCIES,
Sacramento, CA, May 20, 2010.

Hon. CHAIRWOMAN STABENOW,
Hon. RANKING MEMBER BROWNBACK,
U.S. Senate, Committee on Energy & Natural Resources, Subcommittee on Water and Power, 304 Dirksen Senate Building, Washington, DC.

DEAR SENATORS STABENOW AND BROWNBACK: Thank you for the opportunity to respond to your additional questions regarding my testimony before the Subcommittee on April 27, 2010. As you know, ACWA's 450 public water agency members supply

over 90 percent of the water delivered in California for residential, agricultural and industrial uses. I am providing you with our Association's broader observations based upon the hearing as well as specific answers from the project sponsors.

General Observations

1) The Association of California Water Agencies (ACWA) strongly believes the Title XVI program does not require a project to obtain feasibility certification prior to obtaining congressional authorization. Rather, a project must be authorized, secure a feasibility determination, complete NEPA compliance, and satisfy financial capability before it can receive appropriations for construction. Requiring feasibility determinations to be complete prior to securing congressional authorization has not been required for past authorizations and would substantially delay implementation of worthwhile projects.

Congressional authorizations for Title XVI projects give Reclamation the official authority "to participate in the design, planning, and construction of facilities to reclaim and reuse water." It is during the planning process that project sponsors work with Reclamation to secure a feasibility determination, as well as complete NEPA. Once that is complete, then the project sponsor and Reclamation have the ability to pursue appropriations that can fund up to 25% of a project cost with a cap per project of \$20 million.

Reclamation allows a six month review period of a feasibility study prior to making a determination. The project sponsor spends several months or more before this submittal developing and gathering the study materials, and additional time to address Reclamation review comments. Therefore, the timeline for a project to complete feasibility seems to be taking a minimum of a year. Obtaining authorization has typically been a two-year process. These processes should run in parallel, not series, so that ready-to-go water projects are not unnecessarily delayed an additional two to three years.

2) ACWA believes the project sponsors are making good faith efforts to partner with Reclamation throughout the Title XVI process and have a solid track record of responsiveness and complying with all statutory requirements. For example, the City of San Juan Capistrano will now be working with the Bureau of Reclamation to begin the feasibility study for the City's recycled water project. The study will provide an outline on the City's existing water supply that would be supplemented with recycled water for non potable use. In addition, the study will analyze the main project components, provide a detailed overview of the project purpose and need and examine all project alternatives. The feasibility study is expected to take no longer than a year to complete.

3) ACWA would again like to commend you for holding a hearing on Title XVI bills. By doing so, you have provided assurances that Congress recognizes the urgency of the California water crisis and is acting to support the implementation of key elements in the California comprehensive water management strategy. Recycling projects in northern and southern California are an extremely important source of new supply from ACWA's statewide perspective. They are vital to meeting growing water demands in a manner consistent with the state's new comprehensive water management strategy. To the extent their implementation can be significantly accelerated, these projects can help combat the immediate crisis in California arising from drought, and excessively restrictive regulations on water supply under the Endangered Species Act.

Thank you again for this opportunity to answer your additional questions. The following answers are provided by ACWA in collaboration with the project sponsors.

Sincerely,

TIMOTHY QUINN,
Executive Director.

[Enclosure.]

RESPONSES TO QUESTIONS FROM SENATOR STABENOW

Question 1. Please describe the efforts made by the project proponents in S. 1138 and H.R. 637 to ensure that the statutory requirements for moving forward with a Title XVI project have been met, including, but not limited to, obtaining a feasibility determination from Reclamation.

Answer. S. 1138: The 14 agency Bay Area Recycled Water Coalition projects have a solid track record of complying with all statutory requirements for Title XVI projects. The Coalition meets monthly with Reclamation staff at the Mid-Pacific Region to discuss project needs and review status. Each agency pursues reimbursable agreements with Reclamation to further engage staff for guidance on feasibility study development and in-depth environmental review. To date, seven projects au-

thorized in 2008, and two of the nine Bay Area projects seeking authorization have secured feasibility determinations and the remaining feasibility determinations are in process and will be completed prior to the construction phase. It is incumbent on each agency to respond quickly to Reclamation requests to help avoid delays and potential loss of momentum. The regular monthly meetings with Reclamation staff have helped to minimize delays.

A feasibility determination is not required prior to project authorization. Congressional authorizations for Title XVI projects give Reclamation the official authority “to participate in the design, planning, and construction of facilities to reclaim and reuse water”. It is during the planning process that project sponsors work with Reclamation to secure a feasibility determination, as well as complete NEPA. The Bay Area projects in S. 1138 and H.R. 2442 have been working with Reclamation on project planning, and are seeking authorization to further solidify the partnership with Reclamation and complete the Title XVI requirements (i.e., including environmental compliance and financial capability). Federal funds will not be approved for the construction phase of the projects until feasibility determinations and environmental reviews are complete.

Additionally, it is very strategic to move the authorization process in parallel with the feasibility determination project in order to realize project benefits quicker. For example, of the seven BARWC projects that were authorized in May, 2008 (P.L. 110-229), only three had received feasibility determinations prior to authorization. By not requiring feasibility determinations prior to authorization, all seven projects have successfully secured all approvals and moved to construction. In fact, three of those projects have now completed construction, two are under construction, and two will begin construction this year. Had all the projects been required to obtain feasibility before authorization, the projects would still be on the shelf instead of progressing to construction to provide the delivery of an estimated 8,700 acre-feet per year (AFY) and the associated benefits much needed in California. Because the previous projects had been authorized in a timely manner, several qualified as “shovel ready” and were therefore eligible to pursue and secure American Recovery and Reinvestment Act (ARRA) funding. Those projects are providing the jobs intended by the ARRA.

Requiring that all projects in S. 1138 secure feasibility determinations prior to authorization will at a minimum stall the projects for two years or more. In some cases, such a delay could put at risk hard-fought financing that is now available but could be put at jeopardy by significant delays. Moving forward with the requested authorization would authorize nine new projects that could proceed to construction within the next two years, helping to support over 9,750¹ jobs, and producing 35,000 AFY of new water that will provide direct benefits to the Bay-Delta.

HR 637: The City of San Juan Capistrano will be working with the Bureau of Reclamation to begin the feasibility study for the City’s recycled water project. The study will provide an outline on the City’s existing water supply that would be supplemented with recycled water for non potable use. In addition, the study will analyze the main project components, provide a detailed overview of the project purpose and need and examine all project alternatives. The feasibility study is expected to take no longer than a year to complete.

Question 2. Please summarize the ongoing efforts in California to implement the legislation adopted in late 2009 to address water supply reliability and restore the Sacramento/San Joaquin/Bay-Delta ecosystem.

For example, ACWA is co-sponsoring a series of forums on the legislation. Are other efforts ongoing to gain support for the initiatives?

How will the state of California implement the goals described in your testimony to develop a comprehensive water management program, if the required \$11.14 billion bond initiative is not approved by the voters this fall?

Answer. The Legislature enacted a comprehensive water package in November 2009 aimed at improving the state’s water supply reliability and restoring Sacramento San Joaquin River Delta ecosystem. The package included four policy bills and an \$11.14 billion general obligation bond targeted for the November 2010 ballot. The legislative package makes it the policy of California to achieve the “Coequal goals . . . of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem.”

To accomplish the coequal goals, the legislation calls for the implementation of an aggressive, comprehensive water management program that requires investment in three broad areas:

¹ Based on 2007 FHWA estimate that \$1 billion in Federal funds supports 27,800 jobs, using total project costs of \$352 million.

- 1) New infrastructure, including improved conveyance in the Sacramento-San Joaquin Delta and new surface and groundwater storage;
- 2) Habitat restoration and watershed improvements to help restore natural functions in the ecological system; and
- 3) Local water resource development projects, including water recycling, brackish and sea water desalination, water use efficiency and other projects to increase local water supply resources and thereby reduce demands for imported water.

Critical work is ahead in 2010 as the legislative package moves into the implementation phase. State agencies have initiated several implementation processes on a fast track toward decisions later in 2010.

ACWA is co-sponsoring a series of informational forums on the comprehensive water package. The forums are aimed at educating local elected officials, opinion leaders and the general public on key elements of the legislative package.

KEY 2010 PROCESSES

Delta Governance

The package established a new governance structure for the Delta and a framework for achieving the co-equal goals of providing a more reliable water supply and restoring the Delta ecosystem.

The governor and the Legislature have announced appointments to the Delta Stewardship Council, a major component of the new governance structure created to manage the Delta. The council is tasked with developing a Delta Plan to guide state and local actions in the Delta in a manner that furthers the co-equal goals. The first meeting of the council was held on April 1.

On May 14, the Governor announced the administration's appointments to the California Water Commission, which will establish procedures to allocate funds to competitive storage projects, and to the Delta Conservancy, which will implement major environmental restoration projects in the Delta. Changes in the governance of the Delta Protection Commission, which has land use authority in the Delta and is responsible for the development of a Delta economic sustainability plan, were enacted earlier this year.

Groundwater Elevation Monitoring

The legislative package requires local agencies to monitor and report on the elevation of groundwater basins to help better manage the resource during both normal water years and drought conditions.

ACWA is working closely with member agencies and the Department of Water Resources to develop a strategy / action plan (using to the fullest extent possible existing local programs) for meeting the requirements of the legislation and to satisfy the needs of all parties.

Conservation

The 2009 legislative package established a statewide water conservation program that requires a 20% reduction in urban per-capita water use by 2020. It also requires development of agricultural water management plans by Dec. 31, 2012.

The legislation identifies multiple pathways for compliance with the urban conservation requirements, including an incentive-based Option 4 to be developed by the Department of Water Resources by Dec. 31, 2010.

ACWA is working with member agencies and the DWR to define the best way to develop and implement Option 4.

Statewide Flow Criteria

The legislative package requires the State Water Resources Control Board (SWRCB) to develop new flow criteria for the Delta ecosystem to protect public trust resources. The California State Water Resources Control Board began a series of hearings on March 22 to develop the new flow criteria.

Informational Forums

ACWA is co-sponsoring a series of informational forums on the comprehensive water package. The forums are aimed at educating local elected officials, opinion leaders and the general public on key elements of the legislative package. Presenters include water experts, state and local leaders and others involved in developing and implementing the package. Forum hosts include the California Latino Water Coalition, ACWA and the State of California. Local sponsors also are providing support.

The Water Bond Campaign

As public agencies, ACWA's members cannot directly engage in the campaign to pass the water bond. Campaign organizations are being developed for both the passage and defeat of the water bond. For more information on these efforts, contact Water for California, which has been organized to pass the bond.

State Strategies if Bond Fails

The policy bills passed by the legislature in November are now in effect and will remain so regardless of a decision on the water bond by voters in November 2010. Consequently, if the bond should fail, the statutory commitment remains for a comprehensive water policy of coequal goals, local resource development, infrastructure investments, and habitat enhancement. The bond would appropriately provide public funding for perhaps one-quarter of the total investment of the package with the remainder coming predominantly from water users through their water agencies. While ACWA believes that the prospects for passage of the water bond are good, if the bond fails it will be necessary to develop alternative means of providing the public cost share for implementation of the package.

RESPONSES TO QUESTIONS FROM SENATOR BROWNBACK

Question 1. In addition to \$5 million for a specific reach of the Regional Brine Line, how much ARRA funding has California received to help finance Title XVI projects?

Answer. Including the \$5 million dollars for the Regional Brineline for the Calleguas Municipal Water District, the state of California was appropriated approximately \$132 million in ARRA funding for Title XVI projects.²

Within the past year, the Bay Area Recycle Water Coalition has secured approximately \$35 million in Title XVI funds through fiscal year and ARRA appropriations (only authorized projects were eligible for Title XVI ARRA funding). That funding has allowed seven new projects to move into construction (i.e. three projects have now completed construction, two are in construction and two more are scheduled to begin construction this year). Those projects will produce over 8,000 acre-feet per year (AFY) of new water that will provide direct water supply relief benefits to the Bay-Delta. The Bay Area is proposing to build on that success and authorize nine new projects that have the potential to add an additional 35,000 AFY of new water, which is the equivalent of the water supply needed for 105,000 homes. If the Title XVI funds are not available to move the program forward, the local match money will likely be shifted to other priorities. If authorized now, the nine new projects could proceed to construction within the next two years, supporting over 9,750 jobs, and producing 35,000 AFY of new water that will provide direct benefits to the Bay-Delta.

Question 2. Regarding S. 1138, why has the Bureau of Reclamation only certified the feasibility of one of the six proposed projects? Have you been given any indication of when the additional feasibility studies will be complete?

Answer. The 14 agency Bay Area Recycled Water Coalition projects have a solid track record of complying with all statutory requirements for Title XVI projects. The Coalition meets monthly with Reclamation staff at the Mid-Pacific Region to discuss project needs and review status. Each agency pursues reimbursable agreements with Reclamation to further engage staff for guidance on feasibility study development and in-depth environmental review. To date, seven projects authorized in 2008, and two of the nine Bay Area projects seeking authorization have secured feasibility determinations and the remaining feasibility determinations are in process and will be completed prior to the construction phase. It is incumbent on each agency to respond quickly to Reclamation requests to help avoid delays and potential loss of momentum. The regular monthly meetings with Reclamation staff have helped to minimize delays.

A feasibility determination is not required prior to project authorization. Congressional authorizations for Title XVI projects give Reclamation the official authority "to participate in the design, planning, and construction of facilities to reclaim and reuse water". It is during the planning process that project sponsors work with Reclamation to secure a feasibility determination, as well as complete NEPA. The Bay Area projects in S. 1138 and H.R. 2442 have been working with Reclamation on project planning, and are seeking authorization to further solidify the partnership with Reclamation and complete the Title XVI requirements (i.e., including environmental compliance and financial capability) Federal funds will not be approved for

²"Bureau of Reclamation—Title XVI Projects". Department of Interior, January 13, 2010. <<http://recovery.doi.gov/press/bureaus/bureau-of-reclamation/title-xvi-projects/>>.

the construction phase of the projects until feasibility determinations and environmental reviews are complete.

Additionally, it is very strategic to move the authorization process in parallel with the feasibility determination project in order to realize project benefits quicker. For example, of the seven BARWC projects that were authorized in May, 2008 (P.L. 110-229), only three had received feasibility determinations prior to authorization. By not requiring feasibility determinations prior to authorization, all seven projects have successfully secured all approvals and moved to construction. In fact, three of those projects have now completed construction, two are under construction, and two will begin construction this year. Had all the projects been required to obtain feasibility before authorization, the projects would still be on the shelf instead of progressing to construction to provide the delivery of an estimated 8,700 acre-feet per year (AFY) and the associated benefits much needed in California. Because the previous projects had been authorized in a timely manner, several qualified as "shovel ready" and were therefore eligible to pursue and secure American Recovery and Reinvestment Act (ARRA) funding. Those projects are providing the jobs intended by the ARRA.

Requiring that all projects in S. 1138 secure feasibility determinations prior to authorization will at a minimum stall the projects for two years or more. In some cases, such a delay could put at risk hard-fought financing that is now available but could be put at jeopardy by significant delays. Moving forward with the requested authorization would authorize nine new projects that could proceed to construction within the next two years, helping to support over 9,750³ jobs, and producing 35,000 AFY of new water that will provide direct benefits to the Bay-Delta.

Question 3. In addition to authorizing the Secretary of the Interior to participate in these water recycling projects, S. 1138 would increase the federal funding authorization for two previously authorized projects in your state. What are the reasons for the increase in funding, and why should these projects receive additional funding above the 25% federal contribution limit set forth in the Reclamation Wastewater Act.

Answer. These two projects within S. 1138 that are requesting an increase in authorization are not seeking funding above the 25% federal contribution limit. Rather, the initial cost estimates for the entire projects have changed since the authorization, and the projects are seeking an increase to cover 25% of the revised project cost. The 25% Federal share reimbursement is still the limit and would not be exceeded for these or any BARWC projects.

In Public law 110-229, \$8.25M is authorized for the South Bay Advanced Treatment Project. This was based on a 6 million-gallon per day (MGD) microfiltration and reverse osmosis advanced treatment facility, with UV disinfection. The projected cost for this facility was \$33M, and the 25% Federal share for such a facility was \$8.25M. This project is being developed in cooperation with the City of San Jose. Since 2008, as the design was being finalized, both project proponents concurred that they would secure greater benefits should the facility be upsized, and built as a 10 MGD microfiltration facility with 8 MGD reverse osmosis and with 10 MGD ultra-violet disinfection. This is the project, now ready to be built in late Summer, and estimated at \$53M. Seeking a Federal share of 25% of this \$53M would be \$13.25M. With the previous authorization of \$8.25M, now an additional \$5M is sought to help bridge the local funds and make this project a reality. Both project proponents recently executed a 40-year agreement to expand recycled water. This advanced recycled water treatment facility is a critical piece in their recycled water expansion strategies.

The Antioch Recycled Water Project, authorized in Public law 110-229, began the planning process in 2005, completing a facilities plan in 2007 and obtaining Feasibility Determination from Reclamation on December 28, 2007. The authorization amount requested at that time reflected the estimated costs based on the approved facilities plan. This plan identified the direct reuse of an existing pipeline, which in a subsequent design phase was determined to need restoration and relining since the existing line turned out to be in worse condition than was originally assumed. This along with a few other minor design changes caused an increase in costs and the need to seek a higher authorization amount to recover the 25% Federal share for project planning, design and construction from \$2,250,000 to \$3,125,000.

Question 4. In lieu of authorizing a larger federal share, approximately, how much of a dollar increase in water rates for Californians would it take to pay for the projects authorized under the legislation being considered today?

³ Based on 2007 FHWA estimate that \$1 billion in Federal funds supports 27,800 jobs, using total project costs of \$352 million.

Answer. The requested increase in authorization for the two Bay Area projects is not a request to increase the federal share higher than the 25% allowed for in the Title XVI program (see answer to question 3). The cost to convert an existing potable water supply to a sustainable recycled water supply can cost as much as three to four times the existing water rates paid by local residential and commercial water users (e.g. \$500 per acre-foot to \$1500 per acre-foot). The 25% Federal funding assistance planned and pursued by these projects is critical for them to move forward.

For example, the Antioch Recycled Water Distribution Project has half of the capital costs of the project funded through Federal and State grants, and the other half is financed through a loan to be repaid by the City of Antioch. Without the financial assistance, it would take 44 years for the recycled water costs to break even with current potable water costs; with this assistance, the breakeven point is realized within one year.

In these difficult economic times, the City of Antioch is not unique as many public agencies continue to be challenged with decreasing revenue and increasing expenditures. Without the Federal partnership, the City simply could not afford the cost to convert its water supply to recycled water. Thus, this modest Federal investment plays a significant role in promoting recycled water development and will provide benefits for years to come. Once the system is changed from a fresh water system (in this case supplied directly from the Bay-Delta) to a recycled water system and the capital is paid off, it is very unlikely that the water supply will ever change back to a fresh water system; i.e. it becomes a sustainable fresh water alternative.

Question 5. How much of an increase in water rates will California implement to help pay for these projects?

Answer. Water rates in California will increase dramatically over time because of many factors, including increasing environmental regulations, climate change and additional requirements to produce cleaner water for human consumption. One strategy that California is taking to address its water supply needs is to invest in recycled water development. By treating and reusing water that has already been diverted from a waterway and used once, less fresh water will need to be diverted from the Bay-Delta and Colorado River systems. However, the cost to convert an existing potable water supply to a sustainable recycled water supply can cost as much as three to four times the existing water rates paid by local residential and commercial water users (e.g. \$500 per acre-foot to \$1500 per acre-foot). The 25% Federal funding assistance planned and pursued by these projects through the Title XVI program is critical for them to move forward. The remaining 75% funding comes either from some combination of local and state funding sources. By securing the federal and state partnerships, local project sponsors are able to reduce the cost increases to construct a recycled water facility to its customers from a doubling of rates to a more modest increase of 10-25% increase. The bottom line is that developing recycle water facilities provides benefits at the local state and federal levels. When the investment costs can be shared amongst the beneficiaries, projects will move forward. Without that partnership, projects have historically stalled.

Question 6. Please describe what quality of water these recycling projects develop. For what purposes is this water used?

Answer. In California, recycled water must meet Department of Health Services standards in Title 22, which specifies quality and suitable uses including irrigation, cooling water, and other industrial and commercial purposes. BARWC projects benefit California and the Federal Government through the preservation of State and Federal reservoir supplies for higher uses. Every gallon of recycled water that goes towards these uses is a gallon of water that doesn't need to be withdrawn from the Bay-Delta.

These projects provide regional and local benefits which include preservation of declining water supplies from the Sierra and Delta for higher uses; drought-proof assistance for the region; a sustainable and reliable source of water as climate change occurs; environmental enhancement opportunities; and reduction in wastewater discharges to the sensitive Bay-Delta environment.

RESPONSES OF KIRA FINKLER TO QUESTIONS FROM SENATOR STABENOW

Question 1. The U.S. Bureau of Reclamation in March 2010 issued draft criteria to be used in allocating funding to authorized Title XVI projects. Several of the criteria are identical or similar to criteria included in "Guidelines for Preparing, Reviewing, and Processing Water Reclamation and Reuse Project Proposals under Title XVI of Public Law 102-575, as Amended" (Guidelines).

- How will implementation of the proposed funding criteria differ from evaluation under the earlier "Guidelines" document?

Answer. The Guidelines for Preparing, Reviewing, and Processing Water Reclamation and Reuse Project Proposals under Title XVI of Public Law 102-575 (Guidelines) is a Reclamation handbook created in 1998. The Guidelines were meant to aid project sponsors and Reclamation staff in evaluating the completeness of a Title XVI project feasibility study, which is a pre-requisite for any Federal funding for project construction. In 2007, new Reclamation Manual Directives & Standards (WTR 11-01, Title XVI Water Reclamation and Reuse Program Feasibility Study Review Process) were developed to describe in detail the requirements for a Title XVI feasibility study.

The draft criteria published in March 2010, on the other hand, are a set of ranking criteria intended for use in making funding allocation decisions among eligible projects in Fiscal Year 2011 and beyond. Each project seeking Federal funding will be assessed against criteria so that projects can be ranked for funding. While the draft criteria award points in some categories included in the Guidelines document, the draft criteria also address areas such as the water-energy nexus and use of renewable energy as well as the extent to which a project employs a watershed perspective.

Question 2. The draft funding criteria are described as “part of Reclamation’s effort to prioritize projects for funding.”

- What are the priorities or objectives that the Administration is trying to achieve through implementation of the Title XVI program?

Answer. The Department implements the Title XVI Program with the objective to promote sustainable water management and water conservation in the 17 Western states. The Title XVI Program is part of the Department’s efforts through WaterSMART to secure and stretch water supplies for use by existing and future generations.

- What are the metrics of success for the Title XVI program? How do the metrics for the draft funding criteria compare to these metrics?

Answer. The Department is developing a set of internal measures and milestones to monitor and track achievement of High Priority Performance Goals such as Water Conservation, of which Title XVI is a critical part. Progress in these areas will be reported and reviewed throughout the year by the Deputy Secretary’s Operations Planning Group to identify and address any need for enhanced coordination or policy measures to address barriers to achievement of the Water Conservation High Priority Performance Goal. The draft criteria are intended to identify projects that most effectively contribute to that goal and other program objectives.

- Once each project has received a score, how will Reclamation distribute available funds across the projects? Will it rank funding for all projects based on scores and allocate funds based on the rankings, or will a limited number of the top ranking projects be identified for funding, or will some other process be used?

Answer. The answer to this question will depend on the number of applicants, and final appropriations available for Title XVI projects. Stakeholder comments on the ranking criteria, received through April 16, 2010, are still being incorporated. Once criteria have been finalized, Reclamation will develop a funding opportunity announcement for FY 2011 that will inform applicants of details such as project funding limitations and will also provide an overview of the review and selection process.

Question 3. Criterion 2b of the draft funding criteria awards “points” to a project or phase that is “ready to proceed.”

- Why is criterion 2b not an eligibility requirement?

Answer. Criterion 2b is intended to assess an applicant’s progress in meeting pre-requisites without excluding applicants that have not yet met all requirements at the time of application. For example, final environmental compliance typically involves work between the project sponsor and Reclamation once Federal funding has been identified. The criterion will assess the applicant’s progress toward environmental compliance and other requirements. In addition, both construction and pre-construction activities (such as feasibility study development, financial capability preparation, and environmental compliance) will be eligible to receive funds under the draft criteria

- Could a project or phase receive funding if it meets other points requirements but is not “ready to proceed?”

Answer. Yes, such a project would require high scores on other draft criteria sections. Readiness to proceed is one of seven different scoring sections in the draft cri-

teria, and represents 30 out of 175 points, or 17 percent of the total draft scoring pool.

Question 4. Criterion 1 e notes that performance measures “will be considered” but does not provide additional information on what is expected or required under this subsection.

- Please elaborate on how points associated with “performance measures” under criterion 1 e will be awarded. For instance, will measurable performance goals receive additional points? Will performance measures be compared across projects?

Answer. The funding opportunity announcement for FY 2011 funding will provide details for applicants, including suggested performance measures that each project sponsor can use to assess results once the project phase has been completed. The intent of this criterion is to assess the applicant’s plans for measuring such benefits as water yield; energy efficiency; use of renewable energy; water quality improvement; habitat created; progress toward meeting minimum flow requirements in rivers or streams; service to rural or economically disadvantaged communities; progress toward meeting Indian water rights; river restoration or court orders binding upon the project sponsor or the Department, or other considerations.

Question 5. Criterion 4a asks about quantified expected benefits for renewable energy components, but does not ask for a comparison of these benefits with the expected costs to incorporate a renewable component.

- Why are costs not considered under this criterion?

Answer. Reclamation is considering revisions to these draft criteria based on comments received and will consider assessing the costs associated with renewable energy as well as the energy efficiency of each project.

- Has the Administration considered using a metric for comparing the energy-environment footprint of the projects (e.g., fossil fuel energy use per unit of reused water)?

Answer. The emphasis in the draft criteria on renewable energy seeks to incentivize a reduction in the energy-environment footprint of Title XVI projects. However, the Department is not equipped to analyze the relative energy use per unit of reused water across all Title XVI projects. Among the complicating factors for this analysis would be the widely variable sources of the waste streams that are used by Title XVI projects, and the variety of energy sources that are used by the local municipalities who operate water recycling facilities.

Question 6. The economics criteria under 5b is cost per acre-foot of water created or Annualized Life Cycle Cost per average annual volume of water created. However, the costs of the full suite of water conservation and supply augmentation alternatives is location specific. In other words, reused water at \$300 per acre-foot may or may not be the least cost alternative available in a specific location.

- Who is expected to complete the economic analysis described in the draft funding criteria, Reclamation or the project sponsor?

Answer. Once criteria have been finalized, the funding opportunity announcement for FY 2011 funding will explain in detail the information necessary from each project sponsor. Each project sponsor will be asked to describe project benefits, with review of the data and analysis by Reclamation.

- Has Reclamation already collected data on the per acre-foot cost or Annualized Life Cycle Cost(\$) per average annual volume of water that will be created for completed or already authorized Title XVI projects? If so, please provide the Committee with information on the range of Title XVI water costs per acre-foot or the Annualized Life Cycle Cost per average annual volume of water created.

Answer. Reclamation compiles estimates of the number of acre-foot of water made available by each project using information provided by the project sponsors who own and operate the actual facilities, along with total Federal funding provided for each project to date. Reclamation’s most current compilation of this information is attached. Note that many projects, including those funded under the American Recovery and Reinvestment Act, have received Federal funding for construction that is currently underway and that will lead to additional acre-feet of water once complete.

- How does this economic evaluation differ from, improve upon, or duplicate requirements for an economic analysis contained in the D&S?

Answer. Reclamation Directives and Standards (WTR 11-01) require an analysis of the proposed project relative to other water supply alternatives as part of a complete feasibility report and describe in detail the information required from each project sponsor. Required information includes the conditions that exist in the area; contributions that the plan could make toward alleviation of economic problems and the meeting of future demand; and a cost comparison of alternatives that would satisfy the same demand as the proposed Title XVI project. The economic evaluation as part of draft funding criteria is intended to provide a basis for comparison among projects seeking funding. Reclamation is considering revisions to these draft criteria based on comments received and will consider including the cost of water supply alternatives (i.e., the location specific conditions referenced above) as part of the assessment.

RESPONSES OF KIRA FINKLER TO QUESTIONS FROM SENATOR BROWNBACK

Question 1. What are the average current water rates per capita for residents of California? How do these rates compare to average water rates for Kansans?

Answer. Reclamation does not track this information for any states. However, we are aware that water rates per capita vary considerably within most Western states due to a variety of factors.

Question 2. In lieu of authorizing a larger federal share, approximately, how much of a dollar increase in water rates for Californians would it take to pay for the projects authorized under the legislation being considered today?

Answer. The total amount of additional Federal funding that would be authorized by the three California-specific Title XVI bills under consideration by the Subcommittee at this hearing is \$101.6 million. Reclamation does not collect the information necessary to track all of the financing options available to Title XVI project sponsors, which likely vary from project to project and would have to be considered in determining any rate increase. Moreover, given the variables related to any rate increase in individual districts or systems, Reclamation does not have the information that would be needed to make this calculation.

APPENDIX II

Additional Material Submitted for the Record

STATEMENT OF LONDRES USO, MAYOR, CITY OF SAN JUAN CAPISTRANO, ON H.R. 637

Madame Chairman and members of the subcommittee, The City of San Juan Capistrano appreciates this opportunity to present testimony on the California water bill that is part of today's agenda and comment on its important role in helping South Orange County, California address its ongoing water crisis, the worst in our state's history. My name is Dr. Londres Uso and I am the Mayor of San Juan Capistrano, CA, a city of 37,000 residents, nestled in a dense residential region of southern California.

San Juan Capistrano readily supports H.R.637, the South Orange County Recycled Water Enhancement Act, which supports the Moulton Niguel and Santa Margarita Water Districts in their collaborative effort to improve water recycling, water storage, and water treatment in South Orange County. Their plans include constructing water facilities and 25,000 line feet of pipes to store and deliver recycled water throughout San Juan Capistrano and San Clemente. These projects will help reduce the amount of reusable water that is discharged to the ocean, create new sources of water and relieve the heavy water demand that this region places on the California Aqueduct and Colorado River Basin. The new water supply for the City of San Juan Capistrano will be 1,500 acre-feet of recycled water annually—an average 16% of San Juan Capistrano's total annual water demand.

Madame Chairman and members of the subcommittee, on behalf of the City of San Juan Capistrano, I want to commend you for convening this hearing at such a critical period in California's water supply history. Recent drought conditions and increased regulations under the Endangered Species Act have made water supply the main topic in most California cities, especially in the area of south Orange County. With its increasing population and increasing water consumption, south Orange County needs water management systems that will help it provide and transport new sources of water. This bill authorizes federal funding of up to 25% of the costs of these water management projects to help this region meet its water needs.

CONCLUSION

Madame Chairman and members of the subcommittee, thank you again for the opportunity to present testimony today. In summary: The City of San Juan Capistrano is pleased to support the California bill H. R. 637, which is before you today, in order to improve water recycling, water storage, and water treatment in South Orange County. This completes my statement.

STATEMENT OF DONALD R. KENDALL, GENERAL MANAGER, CALLEGUAS MUNICIPAL WATER DISTRICT, ON H.R. 2522

Madam Chairwoman and Members of the Subcommittee, thank you for the opportunity to submit testimony on H.R. 2522, which would raise the ceiling on the Federal share of the cost of the Calleguas Municipal Water District Recycling Project.

My name is Donald Kendall and I am the General Manager for Calleguas Municipal Water District, which provides water to about 75 percent of the population of Ventura County, or 650,000 people, about 50 miles northwest of Los Angeles, California.

Calleguas Municipal Water District (Calleguas) is a public agency created in 1953 to provide southeastern Ventura County with a reliable supply of high quality supplemental water. The District serves an area of approximately 350 square miles that includes the cities of Camarillo, Moorpark, Oxnard, Port Hueneme, Thousand Oaks, and Simi Valley, as well as surrounding unincorporated areas. Calleguas' service area faces serious water supply and water quality challenges.

Calleguas' imported water supply is dwindling. Calleguas imports about 120,000 acre-feet per year (AFY) from the State Water Project (SWP), a system of reservoirs, aqueducts, and pumping facilities that conveys water from the Sacramento-San Joaquin Bay-Delta in northern California to southern California. The ability of the SWP to convey reliable water supplies has been hampered by an on-going drought and regulatory decisions which have mandated that significantly more water remain in the Bay-Delta for habitat needs. Climate change is expected to further reduce available supplies as precipitation decreases and less water is stored in snowpack. Calleguas needs to develop additional water supplies if it is to reliably sustain its existing residents, businesses, and agriculture. Water conservation alone cannot provide sufficient savings to avert potential future water supply shortages.

The quality of the region's local water supplies is deteriorating. Calleguas' service area generally overlies the Calleguas Creek Watershed. Calleguas Creek and many of its tributaries are listed as "impaired" for salinity under the Clean Water Act. The Calleguas service area has experienced increasing salinity levels since its water supplies were first put to use by farmers in the 1880s. Contributing factors include naturally occurring minerals, agricultural runoff, and lack of surplus water to flush salts from the environment. Salinity levels have increased with each cycle of urban use for municipal and industrial purposes. Groundwater over-draft along the coastline has led to seawater intrusion into coastal groundwater basins, impairing the quality of freshwater aquifers. Much of the local groundwater is too saline for use as drinking water and is harmful to the County's billion dollar a year agricultural industry, primarily for sensitive crops like berries and avocados. High salinity levels in soils and surface water can also be detrimental to sensitive habitat. Without a means of removing salt, the area will continue to experience long-term increases in salinity levels as the salts are cycled and concentrated.

Solutions to these supply and quality problems are being implemented through a collaborative process. Beginning in 1996, a broad coalition of local property owners, water and wastewater agencies, environmental groups, agricultural parties, governmental entities, and other private interests joined together to develop the Calleguas Creek Watershed Management Plan, which is centered around implementation of the Calleguas Municipal Water District Recycling Project (Project).

The Project will improve water supply reliability and reduce dependence on imported water supplies by making it possible to put local brackish water supplies to beneficial use. The only way to remove salinity from water is through a membrane treatment process, such as reverse osmosis, which produces a highly saline waste concentrate which must then be managed and disposed. If the concentrate were to be discharged to wastewater or creeks, it would perpetuate the cycle of salt build up.

The Project is a regional pipeline that will collect salty water generated by groundwater desalting facilities and excess recycled water and convey that water for reuse elsewhere. Any surplus supplies will be safely discharged to the ocean, where natural salt levels are much higher. The Project is being built incrementally in phases, as shown on the attached map.* Phase 1 is largely complete, with one pipeline section and an ocean outfall currently under construction. Once complete, the cost for Phase 1 will cause Calleguas to reach the \$20 million cap in their federal authorization.

Much of the local wastewater is treated to a high level of bacteriological quality but is too saline for discharge to local creeks. The Project will either provide a means for that wastewater to be demineralized for use as a high quality irrigation supply or a means of conveying that wastewater to potential users near the coast which can tolerate saline water. Potential uses include wetlands restoration, irrigation of salt-tolerant crops (such as sod), and coastal game preserves.

The use of this non-potable water source will help reduce groundwater pumping and imported water use. The Project will also export salts out of the watershed to help achieve compliance with regulatory requirements for salts in local groundwater and surface water resources. Additionally, the Project will facilitate the development of new, local water supplies through treatment of brackish groundwater.

The Project is vital to the region's water reliability as imported supplies become increasingly vulnerable to drought, climate change, catastrophic levee failures from flood and/or seismic events, and regulatory shutdowns of pumping facilities for habitat protection.

The Project will improve surface water and ground water quality by moving salts out of the watershed. Salt will be removed from groundwater and the concentrate from the treatment process sent to the Project. Tertiary treated wastewater which is too saline for discharge to local streams will be sent to the Project during wet

* Map has been retained in subcommittee files.

periods when it is not needed for irrigation. Ventura County has abundant sources of groundwater, but much of the water is too high in salts for municipal and agricultural use. By treating groundwater to remove salts and moving those salts away from surface waters and groundwater, water agencies in Ventura County solve a water quality problem, while improving local water supply reliability.

In addition to its water supply and water quality benefits, the Project will also benefit the environment by improving the quality of flows in local creeks, reducing greenhouse gas emissions by using less energy-intensive local water resources instead of imported sources which require substantial pumping, and reducing dependence on imported water from the sensitive Bay-Delta ecosystem in Northern California.

Phase 1 of the project was authorized by P.L. 104-266, Section 2, and will be completed at an estimated cost of \$83.576 million (maximum Federal share of \$20 million). Phase 1 includes 48 inch diameter pipe extending nine miles through the cities of Oxnard and Port Hueneme and unincorporated areas of Ventura County, and also includes a 30 inch diameter ocean outfall extending 4,500 feet into the ocean. Phase 1 will facilitate the reclamation and reuse of about 15,000 acre-feet per year of water.

H.R. 2522 will authorize Bureau of Reclamation support for Phases 2 and 3 of the Project, which will extend the 18-inch through 30-inch diameter pipe an additional twenty-six miles through the cities of Simi Valley, Moorpark, and Camarillo, and unincorporated areas of Ventura County. Completion of Phases 2 and 3 of the Project will facilitate the reclamation and reuse of about 43,000 acre-feet per year of water. Federal support for these phases of the project through the Bureau would be limited to the lesser of \$40 million or 25 percent of the construction costs.

The Project is the only truly reliable, environmentally-sensitive, and cost-effective solution to the water supply and water quality issues in the Calleguas service area. Implementation of the Project will facilitate recycled water use, reduce the demand on imported water, remove existing salts, reduce salinity loadings, facilitate restoration of coastal wetlands, help sustain important agricultural operations in Ventura County, and provide overall benefits to Ventura County and the State of California.

Calleguas Municipal Water District takes its role as water supply manager for the County very seriously. Calleguas, local cities and retail water agencies, and the local community, are all looking for water supply and water supply reliability solutions. Local brackish groundwater and recycled municipal wastewater are good solutions. HR 2522 can be the tool that enables us to achieve this water supply and we very strongly urge your support for this legislation.

Thank you again, Madam Chairwoman and Members of the Subcommittee for your consideration of H.R. 2522.

STATEMENT OF GARY W. DARLING, GENERAL MANAGER, DELTA DIABLO SANITATION DISTRICT, ANTIOCH, CA, ON BEHALF OF THE BAY AREA RECYCLED WATER COALITION, ON S. 1138

Madam Chairwoman and Members of the Subcommittee, I appreciate the opportunity to provide this statement for the record on behalf of the Bay Area Recycled Water Coalition (BARWC), a partnership of fourteen San Francisco Bay Area regional water recycling agencies, in strong support of S. 1138, the "Bay Area Regional Water Recycling Program Expansion Act of 2009." BARWC is committed to pursuing highly leveraged, locally-managed projects that will help ensure the security of water supplies in the Bay-Delta for years to come.

The Coalition respectfully seeks the Subcommittee's support for S. 1138, which builds on the success of the last Congress, enabling us to build six new projects and to fully fund two more. These six new projects will produce over 8,000 acre-feet per year (AFY) of sustainable water supply. They will reduce wastewater discharges to aquatic environments, and reduce the demand for limited fresh water from our fragile Bay-Delta system.

Additionally, we are requesting that the bill be amended to include three new BARWC projects, which will yield an additional 27,000 AFY. With funding assistance, these projects can approach construction within 24 months. When added to the current projects in S. 1138, the near-term yield is over 35,000 AFY of water, which is enough water to meet the needs of approximately 105,000 homes. We also request that the bill be amended to include the same language inserted in H.R.2442, the House companion bill, at the request of the Congressional Budget Office, to clarify that funding in the bill is subject to appropriations.

New projects included in the Bay Area Regional Water Recycling Program Expansion Act of 2009 include the Central Contra Costa Sanitary District-Concord Recy-

clad Water Project; the Central Dublin Recycled Water Distribution and Retrofit Project; the Petaluma Recycled Water Project; the Central Redwood City Recycled Water Project; the Palo Alto Recycled Water Pipeline Project; and the Ironhouse Sanitary District Recycled Water Project. The three new projects seeking to be included in this bill by amendment include the Hayward Recycled Water Project, Mid-Coastside Region Water Recycling Project, and the Bay Area Water Supply Replacement and Reliability Project. Constructing these projects will enable more cities across the Bay Area to install new advanced water treatment facilities, pump stations, piping, treatment and storage tanks. This will directly result in reduced demand from Bay Area communities on scarce fresh water from the Bay-Delta.

Pursuing a Title XVI Federal-Local partnership is a significant investment of time and money for the local project sponsor. The sponsor has committed to securing a 75% non-federal share, and completing Title XVI requirements which include feasibility determination, NEPA compliance, and financial capability. Additionally, these projects must still obtain congressional authorization and appropriation for the Federal 25% share. These requirements ensure that there is little risk for the Federal Government, and significant return on their investment. The nine new BARWC projects mentioned above are invested in this process. Two have currently secured their feasibility determinations from Reclamation, two have submitted information and five are generating the information.

Reclamation allows a six month review period of a feasibility study prior to making a determination. The project sponsor spends several months or more before this submittal developing and gathering the study materials, and additional time to address Reclamation review comments. Therefore, the timeline for a project to complete feasibility seems to be taking a minimum of a year. Obtaining authorization has typically been a two-year process. These processes should run in parallel, not series, so that ready-to-go water projects are not unnecessarily delayed an additional two to three years.

Madam Chairwoman, in the hearing, Deputy Director Finkler stated that Reclamation could not support S. 1138 because it had not certified any of the six new projects in the bill as having completed feasibility studies. This statement is inaccurate and also appears to demonstrate what seems to be a classic catch-22 wherein Reclamation will not support projects that are not authorized, and at the same time they will not support new authorizations. We want to set the record straight on the issue of feasibility determination and authorization. Title XVI does not require a project to obtain feasibility certification prior to obtaining authorization. Rather, a project must be authorized, secure a feasibility determination, complete NEPA compliance, and satisfy financial capability before it can receive appropriations for construction. Congressional authorizations for Title XVI projects give Reclamation the official authority "to participate in the design, planning, and construction of facilities to reclaim and reuse water". It is during the planning process that project sponsors work with Reclamation to secure a feasibility determination, as well as complete NEPA. Once that is complete, then the project sponsor and Reclamation have the ability to pursue appropriations that can fund up to 25% of a project cost with a cap per project of \$20M.

Requiring feasibility determinations to be complete prior to securing a congressional authorization was not required for past authorizations of Bay Area recycled water projects. For example, of the seven BARWC projects that were authorized in May, 2008 (P.L. 110-229), three had received feasibility determinations and four had not. Three of those projects have now completed construction, two are under construction, and two will begin construction this year. Had they been required to obtain feasibility before authorization, the three newest projects would still be on the shelf instead of progressing to construction this year to provide the delivery of an estimated 8,700 AFY and the associated benefits much needed in California. The "feasibility" argument Deputy Director Finkler put forth in the hearing has never been made before. Had that position prevailed in the past, most of the Title XVI bills that have become law would never have been enacted.

California has serious water supply challenges. Increasing population and agricultural demand, coupled with decreasing precipitation and Sierra snowpack, make it imperative that we actively seek conservation and water recycling programs to withstand the effects of climate change and drought. Currently two-thirds of the San Francisco Bay Area's water supply is imported. As our State's need for water continues to grow, so too does our responsibility to secure long-term sustainable water options. Water recycling and reuse enables us to address these challenges.

Federal support enables us to stretch limited water supplies and protect precious ecosystems to the benefit of citizens in a far broader geography than simply the communities our agencies serve. Our Coalition's objective of working together in collaboration, rather than pursuing individual agency interests, is successfully pro-

ducing water reuse projects focused on creating long-term sustainability and drought-tolerant water supplies. Projects have been undertaken by Coalition members resulting in over 22,000 acre feet of recycled water being supplied to Bay Area communities. There are many more opportunities for us to be active leaders in addressing the growing issues of water conservation and reuse; but we can't do it alone.

Federal funding and support is the strongest foundation we have to guarantee the successful adoption and implementation of water reuse technologies and practices, and is critical to moving these projects forward. For example, the Antioch Recycled Water Distribution Project (authorized in P.L. 110-229) is currently halfway through construction and will supply the City of Antioch with almost 500 acre-feet of recycled water replacing water presently supplied from the Central Valley Project diverted from the Delta. Half of the capital costs of the project are funded through Federal and State grants, and the other half is financed through a loan. Without the financial assistance, it would take 44 years for the recycled water costs to break even with current potable water costs; with this assistance, the breakeven point is realized within one year. In these difficult economic times, the City of Antioch is not unique as many public agencies continue to be challenged with decreasing revenue and increasing expenditures. Without the Federal partnership, the City simply could not afford the cost to convert its water supply to recycled water. Thus, this modest federal investment plays a significant role in promoting recycled water development and will provide benefits for years to come.

As Secretary of the Interior Ken Salazar indicated during his visit to the Delta last year, "It is time to modernize, it is time to make hard choices and it is time for the Federal government to reengage in full partnership with the 21st century water system for the State of California." Water recycling and reuse technology must be a large component of this new system, and this should occur without further delay. Authorizing these projects provides the Federal partnership needed to move these projects forward.

These water projects help to answer President Obama's call to ensure the safety of our environment and to rebuild our economic vitality for future generations with investments now. When we protect our resources, we protect our future.

I ask the Subcommittee to join with our Coalition once again and support S. 1138, which will benefit millions of Californians and the Bay-Delta ecosystem. These projects are mutually beneficial for the Federal government and the local project sponsor. They offer the Federal government an opportunity to leverage Federal funds for significant benefit. These projects help achieve the objectives of the Central Valley Project Improvement Act, the Bay Delta Conservation Plan, and the December, 2009 Interim Federal Action Plan for the California Bay-Delta. Investing in the work being undertaken by our Coalition will result in advanced technologies which protect the health of our communities and environment, while providing long-term economic benefits.

Your support for S. 1138 will build on an already progressive and proven partnership between the Federal government and local communities to expand the successful regional water recycling program across the San Francisco Bay Area. Accordingly, the Coalition urges support for S. 1138. Thank you.

STATEMENT OF J. TOM RAY, PE, D.WRE, WATER RESOURCES PROGRAM MANAGER, ON BEHALF OF THE CITY OF WACO, TX, ON H.R. 1120

On behalf of the City of Waco, I appreciate the opportunity to submit this written testimony in support of HR 1120, the Central Texas Water Recycling Act of 2009. This Committee's continued interest and leadership with regard to the water reuse issue and in the Central Texas Water Recycling Act of 2009 is deeply appreciated. I want to express my sincere gratitude to Congressman Edwards for introducing this legislation. Congressman Edwards has been very supportive of water resources initiatives in Central Texas, and we certainly appreciate his continued work on this legislation.

The City of Waco and the member cities of the regional wastewater system known as the Waco Metropolitan Regional Sewerage System or WMARSS, have moved forward on two critical components of this Act contributing substantial local funding and complying fully with the Bureau of Reclamation's Title XVI program requirements for an approved Feasibility Study.

1. Title XVI Program Requirements Satisfied: The Feasibility Report of the Flat Creek Reuse Project: Component of the Central Texas Water Reuse and Resources Management Plan was approved on October 13, 2009.

2. Substantial Local Funding Committed and Components Constructed: A major component of the Reuse Project, the eight-mile 20-inch reuse (purple pipe) pipeline has been designed, found compliant with NEPA requirements, financed and constructed. The local WMARSS cities have invested \$2,915,300 in the construction of the reuse pipeline, which is now complete. The local investment makes implementation of the Reuse Project with federal support a strong reality. The total project cost is estimated at \$9,565,000—the WMARSS, local sponsors, have invested to date just under \$3,000,000. The approved Feasibility Study project has a cost-share of \$4,987,743 local funding and \$1,662,581 federal share. For the total project, both the completed and approved Title XVI proposed for construction, the WMARSS, local sponsor, will contribute \$7,900,000, reducing the federal investment to 17% of the total project cost.

Significant process has been completed; HR 1120 represents the federal partnership to move to final implementation and operation. The federal contribution to this project will not only provide for conservation of our community's water supply but will also reduce cost to the taxpayers and provide benefits to the environment as treated effluent is not dumped into river but is used to sustain habitat in our parks and recreational areas.

Recycling of highly treated wastewater provides an additional valuable resource for a large number of identified reuse applications, including golf courses, landscape irrigation, industrial cooling water, and other industrial applications. The initial projects eligible for funding under this legislation could provide up to 10 million gallons per day of reuse water; thereby, reducing the water demand on Lake Waco. This is enough water supply to meet the needs of over 20,000 households.

Other keys to the Central Texas Recycling Program and specifically the Flat Creek Reuse Project for the Committee's consideration:

- Provides for recycling of treated effluent from the Waco Metropolitan Area Regional Sewerage System (WMARSS)
- Local sponsor (WMARSS) has invested approximately \$3.0 million for the design and construction of 45,000 feet of 20-inch reuse pipeline
- Bureau of Reclamation approved the Flat Creek Water Reuse Feasibility Study in October 2009
- Reuse pipeline is under construction and nearing completion, financed by the local cities
- Waco/WMARSS Cities have invested approximately \$3,000,000 and will invest another \$5,000,000 of the future reuse facilities (Title XVI federal share is \$1,662,000 or 17% of the total reuse project cost)
- NEPA compliance has been addressed for the Flat Creek Reuse pipeline and facilities
- Strong support among potential reuse users located in the Waco industrial district and elsewhere
- Title XVI funding to support pumping and terminal facilities needed for distribution
- Plans developed to serve industrial, commercial and municipal customers
- Conserves the limited Central Texas water supply
- Allows use of less expensive reuse supplies instead of expensive treated supplies
- Flat Creek system is Component #1 of the Central Texas Reuse Program, a comprehensive plan to conserve the water resources of Central Texas; the Components include:

Component	Description	Schedule
#1	Flat Creek Interceptor; Reuse Pipeline and Appurtenances	Interceptor and Reuse Line under Construction; Source, termination and delivery pending funding & design
#2	WMARSS Central Plant Reuse to LS Power Plant	Under construction
#3	Bull Hide Regional Plant Reuse Project	Potential Future Project

Project Description

The Flat Creek project originates at the WMARSS Wastewater Treatment Plant (Central Plant) and will terminate about 6,000 feet west of IH-35. Approximately eight miles of 20" Class 165 C-905 purple pipe. The system also includes a 1.5 million gallon ground storage tank and pump station at the WMARSS Central Plant and potentially 6,700 feet of 12" reclaimed waterline to service the Cottonwood Creek Golf Course and other potential users.

Project Cost

\$2,915,315. . . .20-inch Reuse Pipe (6,000 feet installed) Completed and financed by local Waco/WMARSS Cities
 \$6,650,324. . . .Future facilities at Central WWTP and Termination
 Local share \$4,987,743
 Federal share \$1,662,581

BACKGROUND

Waco is the urban center of a rapidly growing McLennan County. Waco and the surrounding cities of Bellmead, Hewitt, Lacy-Lakeview, Lorena, Robinson, and Woodway have a long-history of cooperative and regional efforts on water resources, including the joint ownership and operation of the WMARSS. Waco and McLennan County are fortunate to have a vibrant economic with growing population and excellent quality of life for residents. However, with growing population there is an increasing demand for water. Many of the surrounding communities rely on nearby Lake Waco in the Bosque River basin as the primary water supply source. Several cities also have groundwater sources from the Trinity Aquifer. Electric power generation is another critical factor of the economy of Central Texas and is an important component of the Central Texas Reuse program.

The Waco and McLennan area is within the IH-35 corridor. Population growth within this corridor continues to significantly outpace state-wide growth rates. The regional water plan for central Texas states that population growth in counties within the IH-35 corridor "has been rapid since 1970, averaging 3.9% annual." For this area, the future water demand is about 51% of the central Texas region's total demand in the year 2000, and it is expected to keep growing at a rapid rate. Within McLennan County, all cities are expected to experience sustained growth over the period from 2010 to 2060. Waco is expected to grow by about 26% during this period from a 2010 population of 121,355 to a 2060 population of 152,715. Cities surrounding Waco will grow even more rapidly: the City of Hewitt is expected to grow from a 2010 population of 11,085 to a 2060 population of 19,170 or a 51.3 percent increase.

In addition to growth and industrial development, Central Texas must respond to drought conditions and the seasonal demands that drought imposes on our water supplies. With the recent heavy rains, the memory of severe drought conditions be grow faint; but, in fact, we know from experience that drought conditions will reoccur in Central Texas and that recent droughts have actually been more severe than in the past.

The water supply storage available from Lake Waco to Central Texans is fixed; the groundwater supplies must be limited to wise use that protects our underground aquifers. With growth and drought in Texas driving the need for more water supply in the future, how we use our limited, existing supplies is decisive. Every existing water resource that has the potential to augment our water supplies must be conserved and used efficiently. This is recognized on a statewide basis by the Texas Water Conservation Association that has emphasized the value of water reuse throughout the State. Recently adopted Statewide water plans, under the direction of the Texas Water Development Board, have identified water reuse as a critical component of future strategies to meet water shortages in each of the 16 planning areas of the State. In Central Texas, and particularly among the cities located in McLennan County, reuse is a major component of our current plans. Reuse of treated wastewater effluent is included in the current expansion of the area's regional wastewater treatment system.

Cities in Central Texas have invested significant local funds in a number of supply enhancement and water treatment projects in recent years. These costly efforts include water quality protection programs for our major surface water and groundwater resources, enlargement of the conservation pool of Lake Waco, and investments in advanced water treatment processes to meet and exceed federal and state standards as well as to remove taste and odor. All of these investments are substantial for the citizens of McLennan County and Central Texas. As a result, the cities are actively pursuing the means to maximize those investments and to conserve our

valuable water resources. Water recycling and reuse of reclaimed wastewater effluent is therefore a key component of this effort. H.R. 1120 will help us to succeed in this effort to replace the use of costly, treated water supplies for uses such as irrigation, cooling water and other industrial uses.

Reuse supplies will help us cope with seasonable demands and peak water use. With temperatures in Central Texas that typically reach over 100 degrees during the summer, we must respond to the seasonal effects on water use and water demands. To help address the spikes in demand due to seasonal water use, the community of cities in McLennan County is incorporating reuse into the current plans to expand the regional wastewater treatment system. As opposed to expanding the central wastewater treatment located in a remote, downstream area, the expansion will be accomplished with "satellite" wastewater treatment plants that will be located in areas near the high growth corridors. This growing areas that include industrial, commercial, and residential as well as park lands and golf courses owned by the cities, will have the opportunity to reduce dependence on the use of costly treated water by having high quality, wastewater effluent available for irrigation and industrial uses. The reuse of treated wastewater effluent is the priority component of the "Central Texas Reuse Program."

The Central Texas Reuse Program is multi-dimensional consisting of a number of efforts-reclamation and reuse, conservation, water quality protection, environmental restoration-organized into a series of projects or components to provide optimal use and proper management of the limited water resources available to the Central Texas community. The need for proper water resources management to optimize the use of the limited surface and ground water supplies in Central Texas has been recognized by the City of Waco and the cities comprising the Waco Metropolitan Area Regional Sewerage System. Working together these cities support the Central Texas Reuse program, which is a comprehensive program to optimize on a regional basis the area's water resources through conservation, reuse and recycling projects. The efforts will include municipal, industrial and electric power generation customers. The Central Texas Water Recycling Act will help support the efforts to provide sustainable water supplies in this area of Texas.

With this background, let me summarize the specific need for and benefits of the reclamation and water recycling project. Today, the growth areas of the regional wastewater collection facilities are hydraulically overloaded. In addition, the Central Wastewater Treatment Plant, which currently treats all wastewater generated by the serves all of the six cities that comprise the regional wastewater system is nearing its permitted discharge capacity. The Texas Commission on Environmental Quality is requiring plans for the expansion of the existing wastewater treatment capacity.

A comprehensive engineering solution to this wastewater challenge is the construction of a satellite wastewater reclamation plants and facilities to in part provide benefits from the reuse of the reclaimed effluent. The benefits of satellite plants are significant, in addition to avoiding expensive relocation of infrastructure and downstream conveyance improvements (estimated at \$2.1 million), the plants will provide capacity for future growth in the "high growth" corridor, and significantly, the reclaimed water produced at the proposed reclamation plant can be readily delivered to dozens of end users within the nearby vicinity. Not only would this reclaimed water be a revenue generator, it would also help reduce the summertime peak water demands at the regional water treatment plant.

In summary, this legislation will not only provide for conservation of our community's water supply but will also reduce cost to the taxpayers and provide benefits to the environment as treated effluent is not dumped into river but is used to sustain habitat in our parks and recreational areas. Recycling of highly treated wastewater provides an additional valuable resource for a large number of identified reuse applications, including golf courses, landscape irrigation, industrial cooling water, and other industrial applications. The initial projects eligible for funding under this legislation can provide up to 10 million gallons per day of reuse water; thereby, reducing the water demand on Lake Waco. This is enough water supply to meet the needs of over 20,000 households.

STATEMENT OF EDWIN HANSEN, MAGNA WATER DISTRICT (UTAH), ON S. 745

My name is Ed Hansen, and I am the General Manager of the Magna Water District, which encompasses a population of approximately 28,000 people, and serves a district wide area of Magna Township, north western areas of West Valley City, and a portion of southwestern Salt Lake City, Salt Lake County, Utah.

I want to thank Senator Hatch for sponsoring this bill along with Representatives Jason Chaffetz, Jim Matheson and Rob Bishop in the House.

Through this Title XVI project now before the committee, the Magna Water District has a unique opportunity to restore a drinking water supply by removing perchlorate and arsenic from our groundwater sources while implementing a water reuse and groundwater recharge project. Over the past century, the historic uses of the nearby land, copper mining and rocket fuel production, have necessitated an aggressive response by our district.

A new electrodialysis reversal (EDR) facility is currently operating under the final start up and testing phases for removal of perchlorate and arsenic from our groundwater sources. As a result, two products: high quality drinking water and a concentrated waste stream, are being produced.

The drinking water will be pumped directly into the District's potable water system while the waste stream will flow by gravity to the existing wastewater treatment plant (WWTP) where the District's patented "green" bio-destruction technology is being employed using a series of bioreactors to destroy perchlorate and remove arsenic from the waste stream leaving no residual contaminants.

The bioreactors will produce high quality effluent that can be disinfected along with the effluent from the existing WWTP. This effluent will be used for irrigation through a reuse and secondary water irrigation system, thus eliminating the need to use high quality drinking water for outdoor irrigation uses.

The existing WWTP effluent is currently discharged into the Great Salt Lake where it is unrecoverable by the District. There is synergy in the proposed system where as the areas being irrigated are also within the recharge zone for groundwater recovery wells that provide water for the District's expanding secondary water irrigation system.

As a whole, this reclamation project will result in substantially greater energy and other cost efficiencies. i.e. a projected immediate annual reduction of 580 million gallons (1,780 acre-feet (AF)) of high quality, potable project water used for outdoor irrigation with a projected future demand reduction of 5,792 AF of water per year.

Magna Water District is seeking funds, on a matching basis, to implement this project that will generate several benefits to its water users:

- 1) It will reduce the current use of treated high quality project water thus cutting operating costs,
- 2) It will preserve an 8 cubic feet second (cfs) or a 5,792 AF water right located at the WWTP outfall, and
- 3) It will preserve and sustain our valuable water resources, and to promote water conservation.

Utah ranks as the second driest state in the nation following Nevada, but is number one in per capita water use (municipal and industrial) at about 300 gallons of water per person per day. The residents of Magna are willing to invest a portion of the project that they know will benefit the District as well as other surrounding communities.

In fact, as a part of this reclamation project, the District and its water users are investing more than \$20 million in treatment facilities to remove perchlorate and arsenic and from the water supply.

The high cost of water treatment has forced the District to evaluate water usage and to investigate possibilities for reducing non-potable water use. In 2004, recognizing the demand for high quality drinking water for outdoor irrigation in their existing system, the District planned, designed and installed the first phase of a secondary water system.

Phase I of this system targets all of the District's large water users such as schools, churches, golf courses, and parks.

As a result of the secondary water system planning and implementation efforts, District reports show a dramatic drop in potable usage for those using the secondary system. Private residences that connected to the secondary water system showed similar results; in most cases, nearly a 98% reduction in potable water usage for outdoor watering was achieved.

The District continues to master plan to address the growing needs of its population by maximizing the use of its potable water supply for domestic, in-home uses and using expansion of the secondary water system for outdoor purposes thereby preserving its valuable potable water resources.

A key element of this Phase II is to utilize the high quality product (reuse) water from the bioreactors at the District's wastewater treatment facility to increase the supply of water available for outdoor use. Reuse of water from the District's bioreac-

tors will control potable water capital and operating costs and enhance water conservation efforts.

In addition, all new development within the District boundary is currently required to install secondary water piping and infrastructure that complies with District standards to further maximizes the District's ability to preserve potable water resources. This policy allows funding for this system to primarily benefit existing users and requires new development to bear the cost of secondary and reuse systems that are to its benefit.

The total cost of the project is estimated to be approximately \$51 million. Project funding sources include approximately \$3 million in Federal funding and \$36 million funded by the District. Passage of this legislation will allow the District to fund the remaining \$12 million through the Bureau of Reclamation's Water Reclamation and Reuse (Title XVI). When this happens, the citizens of Magna and our larger service area will be able to rely on a sustainable water supply that continues to be clean, safe and dependable. Thank you for this opportunity to testify. I would be happy to answer any questions.

