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RECLAMATION WASTEWATER AND GROUNDWATER STUDY AND FACILITIES

JULY 15, 2013.—Ordered to be printed

Mr. WYDEN, from the Committee on Energy and Natural Resources, submitted the following

R E P O R T

[To accompany S. 693]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 693) to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the City of Hermiston, Oregon, water recycling and reuse project, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

The amendment is as follows:

On page 2, after the item following line 17, add the following:

SEC. 2. DEAUTHORIZATION OF WILLOW LAKE NATURAL TREATMENT SYSTEM PROJECT, OREGON.

(a) IN GENERAL.—Section 1634 of the Reclamation Projects Authorization and Adjustment Act of 1992 (43 U.S.C. 390h–16) is repealed.

(b) CONFORMING AMENDMENT.—The table of contents of title XVI of the Reclamation Projects Authorization and Adjustment Act of 1992 (Public Law 102–575; 106 Stat. 4602) is amended by striking the item relating to section 1634.

PURPOSE

The purpose of S. 693 is to amend the Reclamation Wastewater and Groundwater Study and Facilities Act (Title XVI) to authorize the Secretary of the Interior to participate in the Hermiston, Oregon water recycling and reuse project.

BACKGROUND AND NEED

The Bureau of Reclamation certified the feasibility of the City of Hermiston's water recycling and reuse project in April 2010 and that the project meets Title XVI eligibility requirements. The City

of Hermiston is located within an agricultural community in rural northeastern Oregon and plans to use half of the reclaimed water for irrigation purposes. The water is expected to irrigate approximately 600 acres of high value crops. Other benefits include decreasing the amount of groundwater currently pumped and the associated electricity costs which will help in the face of drought. The other half of the reclaimed water will be used as winter discharge for the Umatilla River. This will improve the quality of the water discharged into the river and improve habitat for sensitive salmonids. Additionally, the City will benefit from the project by enabling it to maintain compliance with its National Pollutant Discharge Elimination System discharge permit required by the State of Oregon.

LEGISLATIVE HISTORY

S. 693 was introduced by Senator Wyden on April 10, 2013. The Subcommittee on Water and Power held a hearing on S. 693 on April 16, 2013. At its business meeting on May 16, 2013, the Committee ordered S. 693 favorably reported by voice vote as amended.

In the 112th Congress, Senator Wyden introduced identical legislation, S. 1033. The Subcommittee on Water and Power held a hearing on June 23, 2011 (S. Hrg. 112–129).

COMMITTEE RECOMMENDATION

The Senate Committee on Energy and Natural Resources, in open business session on May 16, 2013, by a voice vote of a quorum present, recommends that the Senate pass S. 693, if amended as described herein.

COMMITTEE AMENDMENT

During its consideration of S. 693, the Committee adopted an amendment to repeal the authorization of the Willow Lake Natural Treatment System Project in Oregon.

SECTION-BY-SECTION ANALYSIS

Section 1 amends the Reclamation Wastewater and Groundwater Study and Facilities Act (Public Law 102–575, title XVI; 43 U.S.C. 390h et seq.) by inserting language after section 1656 authorizing the Secretary in cooperation with the City of Hermiston, Oregon to participate in the design, planning, and construction of permanent facilities to reclaim and reuse water. The amendments provide that the Federal cost share shall not exceed 25 percent of the total costs, the Secretary shall not provide funds for operations and maintenance of the facility, and the table in section 2 of the Reclamation Projects Authorization and Adjustment Act of 1992 be amended to include the project.

Section 2 deauthorizes the Willow Lake Natural Treatment System Project in Oregon by repealing section 1634 of the Reclamation Projects Authorization and Adjustment Act of 1992 (43 U.S.C. 390h–16).

COST AND BUDGETARY CONSIDERATIONS

The following estimate of costs of S. 693 has been provided by the Congressional Budget Office:

S. 693—A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the City of Hermiston, Oregon, water recycling and reuse project, and for other purposes

Summary: S. 693 would authorize the Bureau of Reclamation to participate in developing a project to reclaim and reuse groundwater in Hermiston, Oregon. The bill also would deauthorize the Willow Lake Natural Treatment System Project in Oregon. Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 693 would cost $7 million over the 2014–2018 period.

Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

S. 693 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated cost to the Federal Government: The estimated budgetary impact of S. 693 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal year, in millions of dollars—					
	2014	2015	2016	2017	2018	2014–2018
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	7	0	0	0	0	7
Estimated Outlays	4	2	1	0	0	7

Basis of estimate: For this estimate, CBO assumes that S. 693 will be enacted near the beginning of fiscal year 2014 and that the federal share of the project's costs will be appropriated in that year. Estimated outlays are based on historical spending patterns for similar water recycling projects.

S. 693 would authorize the Bureau of Reclamation to design, plan, and construct water recycling facilities in Hermiston, Oregon. The federal share of the project's costs would be limited to the lesser of 25 percent of the total project costs or $20 million. Based on information from the bureau, CBO estimates that the total cost of the project would be about $26 million. Under the bill, the federal share of the project's costs would be about $7 million; the remaining $19 million would be the responsibility of local governments as would ongoing operation and maintenance of the facility. Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 693 would cost $7 million over the 2014–2018 period.

The bill would also deauthorize the Willow Lake Natural Treatment System Project. The project was authorized in 1998, and of the $600,000 appropriated for planning and coordination activities, less than $300,000 was expended. The project has been classified as inactive since 2011. CBO estimates that the deauthorization would have no impact on the budget.

Pay-As-You-Go considerations: None.

Intergovernmental and private-sector impact: S. 693 contains no intergovernmental or private-sector mandates as defined in UMRA. The water project authorized by the bill would benefit the City of Hermiston, Oregon. Any costs the city might incur, including matching funds, would result from complying with conditions of federal assistance.

Estimate prepared by: Federal Costs: Aurora Swanson; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Amy Petz.

Estimate approved by: Theresa Gullo; Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 693.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 693, as ordered reported.

CONGRESSIONALLY DIRECTED SPENDING

S. 693, as reported, does not contain any congressionally directed spending items, limited tax benefits, or limited tariff benefits as defined in rule XLIV of the Standing Rules of the Senate.

EXECUTIVE COMMUNICATIONS

The testimony provided by the U.S. Department of the Interior at the April 16, 2013, Subcommittee on Water and Power hearing on S. 693 follows:

STATEMENT OF ROBERT QUINT, SENIOR ADVISOR, BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR

Chairman Schatz and Members of the Subcommittee, I am Bob Quint, Senior Advisor at the Bureau of Reclamation (Reclamation). I am pleased to provide the views of the Department of the Interior (Department) on S. 693, the City of Hermiston, Oregon, Water Recycling and Reuse Project. For reasons I will discuss below, the Department cannot support the bill.

S. 693 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 the City of Hermiston, Oregon. The project is being implemented by the City of Hermiston.

The City of Hermiston (City), 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. This recycled water would be used by the District to irrigate agricultural lands. By 2031, it is estimated that this proposed project would provide the District with approximately 2,000 to 3,000 acre-feet of drought resistant water supply during the irrigation season. The 2011 total estimated cost for this project was 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. In 2011, Reclamation completed the determination of financial capability and communicated the final approval to the City.

The City and Reclamation's Pacific Northwest Region have completed Reclamation specific actions that are necessary for implementation of the proposed project. This includes environmental compliance, issuance of a license to the City granting authorization to construct, own, operate, and maintain their facility on Reclamation fee title land, and issuance of a permit allowing this water to be discharged into Reclamation's West Main Canal.

S. 693 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 2014 budget request includes funding for the Department's WaterSMART Program, of which Title XVI is an important element, and the full 2014 request for WaterSMART is $35.4 million.

As part of this total, the Department is requesting $14 million to fund Title XVI projects selected through competitive funding opportunity processes which uses criteria finalized in 2010 to identify activities most closely aligned with Title XVI statutory and program goals. Reclamation plans to invite sponsors of Congressionally authorized Title XVI projects to submit applications for funding under the program and will review and rank proposals against those criteria to identify projects for funding, subject to appropriations in fiscal year 2014.

We recognize that water reuse is an essential tool in stretching the limited water supplies in the West, and I believe the FY 2014 budget request 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 limited budget, the Department cannot support the authorization of new Title XVI projects or extensions of existing authorized cost ceilings at the current time. Federal budget realities, however, should not detract from the fact that the Hermiston Recycling and Reuse Project would prove valuable in Oregon's efforts to address current and future water resource challenges posed by drought and the competing demand for scarce water resources.

This concludes my written statement. I am pleased to answer any questions at the appropriate time.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill S. 693, as ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Reclamation Projects Authorization and Adjustment Act of 1992

Public Law 102–575, as amended

AN ACT To authorize additional appropriations for the construction of the Buffalo Bill Dam and Reservoir, Shoshone Project, Pick-Sloan Missouri Basin Program, Wyoming.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Reclamation Projects Authorization and Adjustment Act of 1992".

SECTION 2. DEFINITION AND TABLE OF CONTENTS.

For purposes of this Act, the term "Secretary" means the Secretary of the Interior.

TABLE OF CONTENTS

Sec. 1. Short title.
Sec. 2. Definition and table of contents.

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TITLE XVI—RECLAMATION WASTEWATER AND GROUND WATER STUDIES

[Sec. 1634. Willow Lake Natural Treatment System Project]
Sec. 1635. Lakehaven, Washington, Water Reclamation, and Reuse Project

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Sec. 1656. City of Corona Water utility, California, water recycling and reuse project.
Sec. 1657. City of Hermiston, Oregon, water recycling and reuse project.

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TITLE XVI—RECLAMATION WASTEWATER AND GROUNDWATER STUDIES

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SEC. 1633. AUTHORIZATION OF APPROPRIATIONS

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[SEC. 1634. WILLOW LAKE NATURAL TREATMENT SYSTEM PROJECT

[(a) AUTHORIZATION.—The Secretary, in cooperation with the city of Salem, Oregon, is authorized to participate in the design, planning, and construction of the Willow Lake Natural Treatment System Project to reclaim and reuse wastewater within and without the service area of the city of Salem.

[(b) COST SHARE.—The Federal share of the cost of the project authorized by this section shall not exceed 25 percent of the total cost of the project.

[(c) LIMITATION.—The Secretary shall not provide funds for the operation and maintenance of the project authorized by this section.]

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SEC. 1656. CITY OF CORONA WATER UTILITY, CALIFORNIA, WATER RECYCLING AND REUSE PROJECT.

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SEC. 1657. CITY OF HERMISTON, OREGON, WATER RECYCLING AND REUSE PROJECT.

(a) AUTHORIZATION.—The Secretary, in cooperation with the City of Hermiston, Oregon, is authorized to participate in the design, planning, and construction of permanent facilities to reclaim and reuse water in the City of Hermiston, Oregon.

(b) COST SHARE.—The Federal share of the costs of the project described in subsection (a) shall not exceed 25 percent of the total cost.

(c) LIMITATION.—The Secretary shall not provide funds for the operation and maintenance of the project described in subsection (a).

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