

EXAMINING THE SPENDING, PRIORITIES AND THE MISSIONS OF THE BUREAU OF RECLAMATION AND THE U.S. GEOLOGICAL SURVEY'S WATER RESOURCES PROGRAM

OVERSIGHT HEARING

BEFORE THE
SUBCOMMITTEE ON WATER AND POWER
OF THE
COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED TWELFTH CONGRESS
FIRST SESSION

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**OVERSIGHT HEARING TITLED “EXAMINING
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**Wednesday, March 2, 2011
U.S. House of Representatives
Subcommittee on Water and Power
Committee on Natural Resources
Washington, D.C.**

The Subcommittee met, pursuant to call, at 10:02 a.m. in Room 1334, Longworth House Office Building, The Honorable Tom McClintock [Chairman of the Subcommittee] presiding.

Present: Representatives McClintock, Gohmert, Denham, Tipton, Gosar, Labrador, Noem, Markey, Napolitano, Grijalva, Costa, Luján, and Garamendi.

Mr. McCLINTOCK. The Subcommittee on Water and Power will come to order. The Chair notes the presence of a quorum, which under Committee Rule 3[e] is two members.

The Water and Power Subcommittee meets today to examine the spending priorities and the missions of the Bureau of Reclamation and the U.S. Geological Survey’s Water Resources Program. We also meet under the mandate of House Resolution 72, to identify regulatory impediments to job creation.

Today’s hearing is the first one held by the Subcommittee in the 112th Congress. At the outset of each new Congress it is customary for the Chairman and the Ranking Minority Member to introduce their new members, whether they are here or not so I will start and then defer to the Subcommittee’s Ranking Minority Member for her introductions.

I am Tom McClintock. I have the pleasure of representing the 4th District of California, which is the headwaters area for the mighty Sacramento River. Prior to my service here in Congress, I served in the California State Legislature for 22 years.

The most senior Republican on the Subcommittee is Congressman Louie Gohmert, who represents the 1st District of Texas. Mr. Gohmert is in his fourth congressional term and served in the U.S. Army and was a District Judge in Smith County, Texas.

Next is Congressman Jeff Denham, who represents the 19th District of California. Congressman Denham is an Air Force veteran,

former California State Senator, and has worked extensively in agriculture.

Next is Scott Tipton of Cortez, Colorado. Congressman Tipton is a small businessman and former Colorado State Representative.

Dr. Paul Gosar is from Flagstaff, Arizona. He is a dentist and small businessman serving his first term.

Congressman Raúl Labrador from Eagle, Idaho, also serves on the Subcommittee. Congressman Labrador is a former member of the Idaho State Legislature and an attorney who ran his own law practice until being elected to Congress in this term.

I am also pleased to welcome Congresswoman Kristi Noem of Hamlin County, South Dakota. Congresswoman Noem is a former member of the South Dakota House of Representatives and a small business owner who spent her life working in agriculture.

And now I am pleased to recognize the Ranking Minority Member of the Subcommittee, former Chairwoman of the Subcommittee and my former colleague in the California Legislature, Congresswoman Grace Napolitano for the introduction of the Subcommittee's Minority Members.

Mrs. NAPOLITANO. Thank you, Mr. Chairman, and thank you for the opportunity to begin the first hearing in Congress on this Subcommittee. I have had the pleasure of serving on this Subcommittee, this is my thirteenth year and I, too, came from a State Assembly, but I also have city background as well as state background, and I am really happy to be here. I love this Subcommittee and look forward to working with you.

My first introduction will be of Congressman Jim Costa, who is not present yet. He is a third generation farmer—born and raised in the San Joaquin Valley. He owns almond farms, and he also served in the State Assembly at the same time I did. Jim's knowledge of California water is very comprehensive. This is his fourth term on the Water and Power Subcommittee, and we welcome him.

We also have Congressman Raúl Grijalva from Arizona, a teacher, former Pima County Commissioner, and continues to be a member of the Subcommittee in this 112th Congress. He is serving as the Ranking Member for the National Parks, Forests and Public Lands Subcommittee.

We have present Congressman Ben Luján from Nambe, New Mexico. Ben was the Chair of the New Mexico Public Regulatory Commission, worked closely with the Subcommittee sponsoring two significant water settlements in the 111th Congress, and continues to work on critical water issues for the State of New Mexico, and we welcome him.

And my last introduction is of a friend and a long-time California legislator, Congressman John Garamendi from California, former Lieutenant Governor, and former Insurance Commissioner. While this is his first time on the Subcommittee, he is no stranger to water in our jurisdiction. He also was the Deputy Secretary for the Department of the Interior in the Clinton Administration. We welcome all our Members, and with that I yield back.

Mr. McCLINTOCK. Thank you.

**STATEMENT OF HON. TOM McCLINTOCK, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF CALIFORNIA**

Mr. McCLINTOCK. With today's hearing, the Water and Power Subcommittee will begin the process of restoring abundance as the principal objective of America's Federal water and power policy. We meet today to receive testimony from the Bureau of Reclamation and the U.S. Geological Survey on their plans for the coming year. As I said, we do so in conjunction not only with our responsibility under the Federal Budget Act to provide guidance to the House Budget Committee as it prepares its 2012 budget, but also under our responsibility pursuant to House Resolution 72, to identify regulations and practices of the government that are impeding job creation and burdening economic growth.

In my opinion, all of these hearings and all of the actions stemming from them must be focused on developing the vast water and hydroelectric resources in our nation. The failure of the last generation to keep pace with our water and power needs has caused chronic water shortages and sky rocketing electricity prices that are causing our economy serious harm. In addition, willful policies that have deliberately misallocated our resources must be reversed.

California's Central Valley, where 200 billion gallons of water were deliberately diverted away from vital agriculture for the enjoyment and amusement of the two-inch Delta Smelt is a case in point. These water diversions have destroyed a quarter million acres of the most fertile farmland in America. They have thrown tens of thousands of farm families into unemployment, and have impacted fruit, vegetable, and nut prices in grocery stores across America. I will announce today that we will be holding a formal hearing on this matter in the Central Valley within the next 60 days.

In Northern Arizona, 1,000 megawatts of hydroelectricity, enough to power roughly a million homes, has been sacrificed in the name of the humpback chub. In the Klamath, the government is seeking to destroy four perfectly good hydroelectric dams at the cost of more than a half billion dollars at a time when we can't guarantee enough electricity to keep refrigerators running in the summer. The rationale is to save the salmon, but the same proposal would close the Iron Gate Fish Hatchery that produces five million salmon smolt each year.

Meanwhile, funds that ought to be going to water and power development are instead being squandered on subsidizing low-flow toilets, salmon festivals, tiger salamander studies, and grants to private associations whose principal activity is to sue the Federal Government. We have also thrown hundreds of millions of taxpayer dollars into wildly expensive conservation programs that do little or nothing to develop new water and power resources. Well, those days are over. It is the objective of this Subcommittee to restore the original and as yet unfulfilled mission of the Bureau of Reclamation to develop and utilize our nation's vast water and hydroelectric resources to build a new era of abundance and prosperity for our nation. And I might add, also to complete the greening of the West, to tame the environmentally devastating cycle of floods and droughts, and to assure the perpetuation and propagation of

all species through expansion of fish hatcheries and other cost-effective means.

We will seek to inventory all of our potential water and power resources, establish and apply a uniform cost-benefit analysis to prioritize financing for those projects that produce the greatest benefits at the lowest costs, and restore the “beneficiary pays” doctrine that assures those who benefit from these projects pay for these projects, protecting general taxpayers of one community from being plundered for projects that exclusively benefit another.

With these policies in place, we can fulfill the Bureau’s original mission—to make the desert bloom and open a new era in America where water and power shortages and the policies that created them are a distant and unhappy memory.

I also want to acknowledge the past work of the U.S. Geological Survey that has produced accurate and reliable data necessary for Sound resource policy and management. Today I will merely express the expectation that it will take stronger steps to resist efforts to politicize or compromise its work. I especially endorse Mr. Werkheiser’s statement that “the public deserves to know whether its investments are having tangible results.”

I hope that this Administration will become a partner in this new era of abundance, rather than an obstacle. The rationing of shortages has never solved a shortage. Only a policy of abundance can do that. We have wasted not only money, but time, and we can afford to waste no more of either. With that, I will recognize the Ranking Minority Member, Congresswoman Napolitano, for five minutes.

[The prepared statement of Chairman McClintock follows:]

**Statement of The Honorable Tom McClintock, Chairman,
Subcommittee on Water and Power**

With today’s hearing, the Water and Power Sub-Committee will begin the process of restoring *abundance* as the principal objective of America’s Federal water and power policy. We meet today to receive testimony from the Bureau of Reclamation and the U.S. Geological Service on their plans for the coming year. We do so in conjunction with our responsibility under the Federal Budget Act to provide guidance to the House Budget Committee as it prepares the 2012 budget and with our responsibility under House Resolution 72 to identify regulations and practices of the government that are impeding job creation and burdening economic growth.

In my opinion, all of these hearings and all of the actions stemming from them must be focused on developing the vast water and hydro-electric resources in our nation. The failure of the last generation to keep pace with our water and power needs has caused chronic water shortages and skyrocketing electricity prices that are causing serious economic harm.

In addition, willful policies that have deliberately misallocated our resources must be reversed.

California’s Central Valley, where 200 billion gallons of water were deliberately diverted away from vital agriculture for the enjoyment and amusement of the 2-inch Delta Smelt is a case in point. These water diversions have destroyed a quarter million acres of the most fertile farmland in America, thrown tens of thousands of farm families into unemployment and impacted fruit, vegetable and nut prices in grocery stores across America.

In Northern Arizona, 1,000 megawatts of hydroelectricity—enough to power a million homes—has been lost due to environmental mandates for the humpback chub.

In the Klamath, the federal government is seeking to destroy four perfectly good hydroelectric dams at the cost of more than a half billion dollars at a time when we can’t guarantee enough electricity to keep refrigerators running this summer. The rationale is to save the salmon, but the same proposal would close the Iron Gate Fish Hatchery that produces 5 million salmon smolt each year.

Meanwhile, funds that ought to be going to water and power development are instead being squandered on subsidizing low-flow toilets, salmon festivals, tiger salamander studies and grants to private associations whose principal activity is to sue the federal government.

We have also thrown hundreds of millions of taxpayer dollars into wildly expensive conservation programs that do little or nothing to develop new water and power resources.

Those days are over.

It is the objective of this sub-committee to restore the original—and as yet unfulfilled—mission of the Bureau of Reclamation—to develop and utilize our nation’s vast water and hydroelectric resources to build a new era of abundance and prosperity for our nation.

And, I might add, to complete the greening of the west, to tame the environmentally devastating cycle of floods and droughts and to assure the perpetuation and propagation of all species through expansion of fish hatcheries and other cost-effective means.

We will seek to inventory all of our potential water and power resources, establish and apply a uniform cost-benefit analysis to prioritize financing for those projects that produce the greatest benefits at the lowest costs, and to restore the “beneficiary pays” doctrine that assures those who benefit from these projects pay for these projects, protecting general taxpayers of one community from being plundered for projects that exclusively benefit another.

With these policies in place, we can fulfill the Bureau’s original mission, to make the desert bloom and to open a new era in America where water and power shortages—and the policies that created them—are a distant memory.

I also want to acknowledge the past work of the U.S. Geological Survey that produced accurate and reliable data necessary for sound resource policy and management. Today I will merely express the expectation that it will take stronger steps to resist efforts to politicize or compromise its work. I especially endorse Mr. Werkheiser’s statement that “the public deserves to know whether its investments are having tangible results.”

I hope that this administration will become a partner in this new era of abundance rather than an obstacle. The rationing of shortages has never solved a shortage—only a policy of abundance can do that. We have wasted not only money but time, and we can afford to waste no more of either.

STATEMENT OF HON. GRACE NAPOLITANO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mrs. NAPOLITANO. Thank you, Mr. Chair, and my warm welcome to both Commissioner Connor and Mr. Werkheiser. Thank you both for coming before us once more. Your budget request reflects the very different aspects of Reclamation’s mission: Tribal water rights settlements, non-tribal settlements like San Joaquin, operation and maintenance costs, as well as environmental restoration projects, which many of the farmers agree is essential for their delivery of fresh water.

Reclamation’s budget requests have one thing in common. These actions keep the water running, allow for power production, and provide water certainty for all the communities involved. Many of them have voiced their opinions about how they feel and where and when they need the help. Reclamation’s budget request allows Reclamation to meet its core mission. There are other things I would love to see the Bureau do and, hopefully in the future as the budgets are allocated, we may be able to increase certain aspects, such as youth hiring and other areas that are really critical to the job development.

Reclamation, like other agencies, has had to adjust to the economic environment, but has also found a way to do more with less, and part of that is a Title XVI program that has become very—I don’t just say popular—essential to meeting real water production

in the West—by doing more with less by funding programs that leverage the Federal investment through an extremely robust, non-Federal cost share. These examples include the San Joaquin Restoration Fund where farmers have paid tens of millions to the settlement fund, WaterSMART Grants that are a 50/50 cost share, and the Title XVI Water Recycling Programs: 1 Federal dollar is leveraged for every 3 local dollars for each authorization (25% Federal to 75% non-Federal).

We must also look at the possibility of being able to assure loan guarantees for some of those smaller entities that are unable because of their budgets or because of their size to move forward with the projects that are essential to the well-being of those communities.

If we are really talking about doing more with less, the Title XVI Water Recycling Program is a perfect example of the program that does more with less. More water, more jobs. What good is it to save the money if we don't have water for jobs? Jobs are essential, but water is economy.

Ongoing concerns, of course, are major and one of those major ones is aging infrastructure. We have not even assessed where we are with providing for many of the areas that we have only put money into developing, and the O&M has been fairly sufficient. But the aging of that infrastructure is going to cost us more money than we are prepared for right now—the rehabilitation of decades-old facilities.

USGS is also experiencing drastic cuts to their groundwater program. How is this going to affect our groundwater management? I am thoroughly familiar with Landsat 8, and I am certainly hopeful that this is going to continue, this valuable tool for all of the entities involved. Also, providing our water managers with the baseline data they need to combat climate change is crucial and what this means for our future water supplies. We cannot expect Mother Nature to comply with anything and everything we have in mind, so we must be prepared to ensure that we can meet some of those challenges and prepare our entities to ensure that they too can provide for their members, for their end users, if you will.

We are also looking at ways to finance—again through public/private partnerships. We have been discussing them in Transportation. There is no reason why we cannot begin looking at formulating those public/private partnerships within our water areas. Water knows no political affiliation. It must be a nonpartisan issue. Water is economy. Water is essential to the well-being of our communities, and we must work together to be able to reach those areas of assistance to those that cannot.

We look forward to working with you, Mr. Chair, and yield back the balance of my time.

[The prepared statement of Mrs. Napolitano follows:]

Statement of The Honorable Grace F. Napolitano, a Representative in Congress from the State of California

Good Morning. Welcome Commissioner Connor and Mr. Werkheiser from USGS. Today's budget request reflects the very different aspects of Reclamation's mission: Tribal water rights settlements, non-tribal settlements like San Joaquin, operation and maintenance costs, as well as environmental restoration projects. The Bureau of Reclamation's budget requests and priorities have one thing in common:

these actions keep the water running, allow for power production, and provide water certainty for all the communities involved. In short, Reclamation's budget requests allow Reclamation to meet its core mission.

Reclamation like other agencies has had to adjust to the economic environment but also found a way to do more with less. They are doing more with less by funding programs that leverage the federal investment through an extremely robust non-federal cost share.

Examples of this include San Joaquin Restoration Fund, where farmers have paid tens of millions to the settlement fund, WaterSMART Grants that are 50/50 at a Cost Share, and the Title XVI Water Recycling Programs: \$1 federal dollar is leveraged to every \$3 local dollars for each authorization (25% Federal to 75% non-federal).

If we are really talking about doing more with less, the Title XVI water recycling program is a perfect example of a program that does "more with less." More Water, More Jobs. What good is it to save money if we don't have water for jobs?

We still have some ongoing concerns that we still must address. This includes finding a solution for our aging infrastructure, and the rehabilitation of decades old facilities. The USGS has also experienced drastic cuts to their groundwater program. How does this affect our groundwater management?

Are we providing our water managers with the baseline data they need to combat climate change and what does this mean for our future water supplies? And finally, are we also looking at other ways of financing, through public/private partnerships?

Water knows no political affiliation and I look forward to working with colleagues on both sides of the aisle in finding solutions to our water problems.

Mr. McCLINTOCK. Thank you. It is customary on the Subcommittee to recognize any other Members who wish to make opening statements to do so. In keeping with the Natural Resource Committee precedent, I will recognize Members present when the Committee comes to order in order of seniority followed by order of arrival, alternating between the Majority and the Minority, and I understand Mr. Tipton has an opening statement.

STATEMENT OF HON. SCOTT TIPTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Mr. TIPTON. Thank you, Chairman McClintock, for convening today's hearing, and I would like to join my colleagues in welcoming our panelists as we examine the budget and priorities of the Bureau of Reclamation and the U.S. Geological Survey's Water Resources Program.

I come from the headwaters state, Colorado. Our population is expected to nearly double by 2050, and much of this growth will take place in my district on the western slope of Colorado. It is estimated that some areas in my district will see growth rates as high as 240 percent. Increasing water storage will play an important role in meeting the additional water needs brought on by this population increase. We can never underestimate the importance of water in all of our lives. In Colorado, we refer to it as our life blood for farmers and ranch communities for the development of our communities as well and proud to be able to serve on this Committee, and I look forward to hearing your testimony.

I yield back, Mr. Chairman. Thank you.

Mr. McCLINTOCK. Are there Members of the Minority, Mr. Luján first?

Mrs. NAPOLITANO. Yes, Mr. Luján.

**STATEMENT OF HON. BEN LUJÁN, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF NEW MEXICO**

Mr. LUJÁN. Thank you, Mr. Chairman and Ranking Member Napolitano. Mr. Chairman, thank you for convening this hearing today so that we can talk about the important work that the Bureau of Reclamation and U.S. Geological Survey do to develop and operate our water infrastructure across the country. I would like to thank Commissioner Connor and Associate Director Werkheiser for making themselves available for questions about the proposed budget for 2012.

I would like to point out the importance of the Bureau of Reclamation to our country, and especially in the West where I come from. In the West, our water resources are precious and the Bureau of Reclamation helps us, especially in New Mexico, to ensure our water is used efficiently, that water is available for irrigation, the infrastructure like dams, water pipeline and reliable electric power is made available to the public and, as we know with the Navajo Nation, the simplicity of having water to drink.

This infrastructure strengthens the backbone of America by making resources available for economies to grow while helping to preserve vital resources like water in a place where it is scarce. More specifically, I would like to highlight some projects within the proposed budget that are crucial for water certainty and economic development in my district: the Animas-La Plata Project, which is scheduled to be completed by 2013 in fulfillment of the Colorado Settlement Act of 2000; the Middle Rio Grande project to continue operation and maintenance of project facilities and flood protection; dam safety funding, which includes El Vado Dam in the northern part of my district; the Jicarilla Apache Rural Water Project; and funding for three Native American water rights settlements that will bring water certainty to thousands of New Mexicans.

These are just a few of many critical projects throughout the West and without funding for these critical infrastructures, especially in rural New Mexico and across rural America, economic development, water resource infrastructure, and flood protection would be virtually nonexistent for the people of New Mexico.

In addition, I would like to highlight the critical nature of funding for three Native American water settlements that were passed as part of the Claims Resolution Act in the 111th Congress and what they mean to the people of New Mexico. Before these settlements were agreed to, the dispute over water in these cases was locked into litigation for over 35 years—in some instances over 45 years. Realizing the cost and uncertainty of continued litigation, both the Indian and non-Indian parties, including the State of New Mexico, came to the table and agreed that resolving the conflict through water settlements was a mutually beneficial way of resolving disputes for water rights. The new Indian Water Rights Settlement Account is crucial to funding Federal obligations to tribal communities for water infrastructure, commitments by the State of New Mexico through the State Engineer, and the Bureau of Reclamation. They all play a big part in making the settlement happen. It is essential to maintain support for these important projects.

With that, Mr. Chairman, I thank you. I yield back my time and look forward to the questions.

Mr. MCCLINTOCK. I understand Congresswoman Noem has an opening statement.

STATEMENT OF HON. KRISTI NOEM, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH DAKOTA

Ms. NOEM. Thank you, Mr. Chairman, and I want to thank Mr. Connor and Mr. Werkheiser for testifying today as well, and I have a special guest I would like to introduce as well. I have my daughter, Kennedy Noem, who is with me all this week, so she is sitting behind me so I want to thank you for allowing me the time to introduce her.

You know, I wasn't around in the early 1900s when Congress established Reclamation to provide water and power and ag irrigation to help settle the West, but as a native South Dakotan, I have seen how critical infrastructure such as rural water projects can benefit and develop rural communities. Many of these projects bring much needed economic development to rural areas and Indian tribes in my home state. There are many projects that help spur the economy and create jobs across the United States.

But while looking at Reclamation spending history, I have been appalled to see thousands of dollars of grants go toward studying things such as the California adult tiger salamander, a golf course irrigation study, or a high efficiency toilet rebate system while we have real projects that have gone on and were started years ago but haven't been funded. So those are some of the things that I am very concerned about and I am looking forward to hearing your priorities for funding and for projects into the future, so thank you for coming.

Mr. MCCLINTOCK. Mr. Garamendi.

Mr. GARAMENDI. I believe my colleague Mr. Costa has seniority, and if he would like to—

Mr. MCCLINTOCK. As I explained, the custom of the Natural Resources Committee is to introduce Members based upon their seniority at time of arrival when the gavel falls followed by order of arrival thereafter.

Mr. GARAMENDI. Then I will proceed. Sorry, Jim.

Mr. COSTA. No, I am always willing to defer to the gentleman from Northern California.

Mr. GARAMENDI. Well, we are saving the best for last, OK?

Mr. COSTA. Makes no matter.

STATEMENT OF HON. JOHN GARAMENDI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. GARAMENDI. I want to welcome our witnesses. I have had the pleasure of working with them in the past, and they are outstanding gentlemen and on top of their game for either the research side of it or the implementation side. I look forward to their testimony.

I also thank the Chairman for very clearly defining what he intends to accomplish as Chairman of this Subcommittee and what we can look forward to over the next 18 months as this Subcommittee proceeds to presumably create an era of abundance at

a time with significant climate uncertainty as to what is happening.

The challenge before us is how to meet the multiple goals that every society should have. Obviously we need water. Life doesn't exist, at least on this planet, without it except in some very strange places, but we need water. We also need balance, and the agenda that has been laid out to us by the Chairman is one that is not balanced. It is one that would, in fact, lead to destruction of very, very important economic activities and very, very important ecological and activities that we must pay attention to because in fact we live in a complex world that is dependent not only upon abundant water, but also upon the other attributes and the nature around us.

If we ignore, for example, the fact that in the California Delta there has been a dramatic decline, in fact a collapse of the fisheries. It is not enough to say that we should take more water from the Delta and not worry about that. I suppose we could say that if we were not worried about the tens of thousands of families that are dependent upon the fisheries in the Delta upon the aquatic habitat there, and upon those who take water from the Delta, not necessarily through the pumps.

Indeed, the agricultural valley is important, but most of the unemployment in the agriculture valley has to do with the collapse not of water but of housing. The west side is an area in which farms have fallowed some acreage, no doubt about it, but that west side is also the area that has had the last—the shortest straw. We are going to have to balance this.

With regard to the Klamath, OK, let us fight about the Klamath. We fought with the Klamath for more than 40 years. An accord has been reached, and what the Chairman is suggesting is that we throw that accord aside and start the fighting once more. That seems to be not the way to go. We are going to have to find balance here. If we are going to achieve abundance, it is going to have to be done in a balanced way. If it is not a balanced way, it isn't going to work for a variety of reasons. It is not just the Endangered Species Act.

It is the fact that the communities in the West understand that we have to have balance. It is not just water, and it is not just water enough to willy nilly waste and let it go wherever it may go down the drain, but there is a balance that has to be achieved.

A lot of hoo-haaing about toilets, let me give you an example of toilets. Mona Lake has literally been saved by changing out the toilets in the City of Los Angeles. Instead of five gallons, two-three-gallon toilets, every single toilet in the City of Los Angeles was changed out, replaced, and the result Mona Lake has been saved. We can achieve a balance, and I would urge this Committee to look to balance in all we do.

A one-sided solution isn't going to work. We have proved that over the last century as the Bureau of Reclamation for more than 75 percent of its time did not think about balance. Now it is, and there is more that we can and will do to provide water where and when it may be necessary. So, Mr. Chairman, I look forward to engaging with you.

Mr. McCLINTOCK. Next is Mr. Costa.

**STATEMENT OF HON. JIM COSTA, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF CALIFORNIA**

Mr. COSTA. Thank you very much, Mr. Chairman, for holding this timely hearing on the President's budget with the Bureau of Reclamation and the Geological Survey as well. I want to apologize to the non-Californians who are part of this Subcommittee. You will hear a lot about California water. Bear with us. This is nothing new. Mark Twain, I think, got it right when he was a reporter in California at the Mariposa Gazette over 100 years ago when he observed that in the West whiskey was made for drinking and water was made for fighting. We have been fighting over these water resources for some time now.

I would like to focus most of my comments in my opening statement, as well as when we get to the question rounds, Mr. Connor, on, as another speaker once noted, Tip O'Neill, all politics are local, and while the Ranking Member indicated water should not be political, unfortunately we have noted, especially in the last two years, that it has become very political, and I think that there are a lot of efforts and issues that we have been engaged in that I want to bear with me this morning as it relates to one—the allocation of water among the—especially in light of the additional snow pack that we have received this year. We have most of the areas both Federal and now the state service contractors that are near 100 percent are 100 percent of their allocation, yet we have the San Luis unit at 50 percent of its allocation. You have demonstrated administrative flexibility, which we urged you to over a year ago and, as a result, we did receive 50 percent last year. I think we can do better this year. We need to engage on that.

I want to talk to you about the efforts with regard to the San Joaquin River Settlement Agreement, 18 years of contentious litigation. We are now implementing it, but I think there are some real problems in terms of the phases of implementation that we need to set back and pause as it relates to whether or not we are going to be successful in this program. I don't think we have the resources there although in the budget you have added some more dollars, and that is helpful in what is a cutback generally speaking on many of your budget priorities as I have looked through it in the last day or so.

Then the third issue I want to discuss with you is the Bay-Delta Conservation Plan, which I think is essential if we are going to solve for the non-Californians here some of these contentious fights that we have been dealing with for decades. California is a growing state still, 38 million people. By the year 2030 we are estimated to have 50 million people. We have a water system in the state that is designed for about 20 million people, and while we engage or try to use all the water tools in our water toolbox, it is obvious still that some of the solutions are in conflict and some of the solutions are yet to be realized.

And so the Bureau plays a key role in this area, in all three of these areas, and we need your continued effort and involvement.

Let me close by saying that, as we get to the question areas and those areas that I want to visit, Mr. Connor, that I think this year is a pivot year. With the additional snow pack and rainfall, we have made progress. \$54 million was allocated last year for

projects. The Inner Tie project is under construction. We have been able for two years to have a waiver on transfers that have been very critical. The Delta, as Mr. Garamendi has indicated, still needs support, but there are numerous factors, I will contend, that have contributed to the decline of the Delta, not simply the export of water south. And the fact is that we are one state, every region of the state does need and deserve a stable supply of water, and therein lies the challenge.

So, I thank you, Mr. Chairman, for opening this hearing and I look forward to engaging with Mr. Connor as he works on the details of the California aspects. For the non-Californians, again I apologize in advance, but these are issues that are critical to our state's long-term survivability. Thank you.

Mr. McCLINTOCK. Thank you. If there are no other opening statements, we will move to the witnesses. We are pleased to be joined by The Honorable Michael Connor, Commissioner of the Bureau of Reclamation for the Department of the Interior, and by Mr. William Werkheiser, Associate Director for Water for the U.S. Geological Survey of the Department of the Interior.

Your written testimony, gentlemen, will appear in full in the hearing record so I ask that you keep your oral statement to five minutes as outlined in our invitation letter to you and under Committee Rule 4[a]. I also want to explain how our timing lights work.

When you begin to speak our clerk will start the timer. The green light will appear. After four minutes the yellow light will appear, and at that time you should begin to conclude your statement. At five minutes the red light will come on. You may complete your sentence, but at that time I would ask you to draw to a conclusion.

Now I will recognize Commissioner Connor to testify for five minutes, and all witness statements will be submitted for the hearing record.

**STATEMENT OF HON. MIKE L. CONNOR, COMMISSIONER,
BUREAU OF RECLAMATION, U.S. DEPARTMENT OF THE
INTERIOR**

Mr. CONNOR. Thank you, Mr. Chairman, Ranking Member Napolitano, and Members of the Subcommittee for the opportunity to discuss Reclamation's Fiscal Year 2012 budget. I am a New Mexican. I feel like I am becoming a Californian, even though I am a Westerner, I will talk very quickly here. Also, congratulations, Mr. Chairman, in your new role with the Subcommittee. With me today is Bob Wolf, our Director of Program and Budget.

The Fiscal Year 2012 discretionary request for Reclamation is \$1 billion. I have submitted written testimony, which presents a detailed summary of the request. Overall, the budget reflects a comprehensive set of actions and initiatives that support Reclamation's mission. The budget continues to emphasize working smarter to address the water needs of a growing population in an environmentally responsible and cost-efficient manner and assisting states, tribes, and local entities in solving contemporary water resource challenges.

Certainty and sustainability are primary goals with respect to the use of water resources, and requires Reclamation to take action

on many fronts and our budget proposal was developed with that principle in mind. The Fiscal Year 2012 budget request for Reclamation focuses on six priorities. Very briefly, I will use my remaining time to discuss each of those items.

Infrastructure. Overall, our budget continues to support the need to maintain our infrastructure in safe operating condition while addressing the myriad of challenges facing western water users. Approximately 51 percent of our water and related resources budget, \$407 million, is dedicated to operation, maintenance, and rehabilitation activity, with 49 percent allocated to resource management and development. These activities under Operations, Maintenance and Rehabilitation include the dam safety program at \$84 million; our site security program at \$26 million; and RAX, which is a shorthand for Replacements, Additions and Extraordinary Maintenance, \$41 million in this budget.

WaterSMART. This is the second priority for Reclamation and the WaterSMART Program combines with Interior's establishment of a high priority performance goal, which is to enable the capability to increase available water supplies for agricultural, municipal, industrial, and environmental needs in the western United States by 490,000 acre-feet by the end of 2012. That is the goal.

This goal in the program concentrates on expanding and stretching limited water supplies in the West to reduce conflict, facilitate solutions to complex water issues, and meet the growing needs of expanding municipalities, the environment and agriculture. Reclamation proposed to fund WaterSMART at \$59 million, \$11 million below the 2011 levels when compared with those programs that we included in last year's WaterSMART request.

The three ongoing programs include the WaterSMART Grant Program at \$18.5 million, Basin Studies at \$6 million and the Title XVI Water Reclamation Reuse Program at \$29 million. Two other programs have been added this year. One is not a new program, our Water Conservation Field Services Program at \$5.1 million, and we have a new operative Watershed Management Program that we look at having a demo project for in 2012 at the tune of \$250,000.

WaterSMART is a joint effort with the USGS, as will also be described by Mr. Werkheiser.

Ecosystem restoration. In order to meet Reclamation's mission goals of producing power and delivering water in a sustainable manner, we must continue to focus on the protection and restoration of the aquatic and riparian environments affected by our operations. Ecosystem restoration involves a large number of activities, including endangered species recovery programs which are required in order to continue to operate our projects, and which I directly address the environmental aspects of Reclamation's mission.

The 2012 request provides for \$155 million for operating, managing, and improving California' Central Valley project. A significant amount of CVP funding supports ecosystem restoration, including \$35 million for the Red Bluff Pumping Plant and fish screen in the Sacramento River. We also have \$10.5 million for the Trinity River Restoration Program, with an additional \$3 million available through the CVP restoration fund. Trinity program activity includes development of a comprehensive monitoring and adapt-

ive management program for fishery restoration and construction of channel rehabilitation projects at very sites along the Trinity River.

Ecosystem restoration includes \$26 million for the Lower Colorado River operations to fulfill the Secretary's role as water master and also implement the multi-species conservation program. \$18.3 million is requested for that program. The budget also requests \$20 million for other Endangered Species Act programs, including \$11 million to implement the Platt River Endangered Species Recovery Implementation Program, \$6.2 million for the Upper Colorado and San Juan Endangered Fish Recovery Programs, and additionally we have an \$18 million request for the Columbia Snake River recovery programs. Those funds will be used to implement the biological opinion governing our operations on the Snake River and the Columbia River.

We also have funding provided in the Klamath project line item, with the Middle Rio Grande project line item, all to address environmental and ecosystem restoration needs without those accounts.

I see my time is rapidly running out. The other priority areas which I will quickly summarize are cooperative landscape conservation and renewable energy. We have a youth employment initiative, which we are carrying out through our normal programs, and supporting tribal nations is a high priority for Secretary Salazar as it is for the Bureau of Reclamation.

Mr. Chairman, thank you for allowing me to testify on our budget request for 2012, and I stand ready to answers questions at the appropriate time.

[The prepared statement of Mr. Connor follows:]

**Statement of Michael L. Connor, Commissioner,
U.S. Bureau of Reclamation, U.S. Department of the Interior**

Thank you, Mr. Chairman, Ranking Member Napolitano and members of the subcommittee, for the opportunity to discuss with you the President's Fiscal Year 2012 budget request for the Bureau of Reclamation. With me today is Bob Wolf, Director of Program and Budget.

I appreciate the time and consideration this subcommittee gives to reviewing and understanding Reclamation's budget and its support for the program. Reclamation works hard to prioritize and define our program in a manner that serves the best interest of the public.

Our FY 2012 request continues support for activities that, both now and in the future, will deliver water and generate hydropower, consistent with applicable State and Federal law, in an environmentally responsible and cost-effective manner. Overall, our goal is to promote certainty, sustainability, and resiliency for those who use and rely on water resources in the West. Success in this approach will help ensure that Reclamation is doing its part to support the basic needs of communities, as well as providing for economic growth in the agricultural, industrial, and recreational sectors of the economy. In keeping with the President's pledge to freeze spending and focus on deficit reduction, this budget reflects reductions and savings where possible. Although the 2012 budget request allows Reclamation to fulfill its core mission, essential functions have been trimmed and economized wherever possible.

The budget continues to emphasize working smarter to address the water needs of a growing population and assisting States, Tribes, and local entities in solving contemporary water resource challenges. It also emphasizes the operation and maintenance of Reclamation facilities in a safe, efficient, economic, and reliable manner; assuring systems and safety measures are in place to protect the public and Reclamation facilities. Funding for each program area down to the individual projects within Reclamation's request is based upon adherence to Administration, Departmental, and Reclamation priorities. Reclamation is responsible for the oversight, operation, and maintenance of major federal infrastructure that is valued at \$87.7 billion in current dollars. Key areas of focus for FY 2012 include Water Conservation,

Landscape Conservation Cooperatives and Renewable Energy, Ecosystem Restoration, Youth Employment, supporting Tribal Nations and maintaining infrastructure. Recognizing the budget challenges facing the Federal Government as a whole, Reclamation will continue its efforts to partner with other Federal agencies such as the U.S. Army Corps of Engineers (USACE), Department of Energy (DOE), and the Natural Resources Conservation Service, to maximize the efficiency by which we implement our programs.

Reclamation's 2012 budget request is \$1.0 billion, which includes \$53.1 million for the Central Valley Project Restoration Fund (CVPRF). This request is offset by discretionary receipts in the CVPRF, estimated to be \$52.8 million. The request for permanent appropriations in 2012 totals \$194.5 million. Overall, Reclamation's 2012 budget is a responsible one and consistent with the Administration's goal of fiscal sustainability. Reclamation will still be making strategic investments that provide a strong foundation to meet water resources challenges across the West.

Water and Related Resources

The 2012 budget request for Water and Related Resources, Reclamation's principal operating account, is \$805.2 million, a decrease of \$108.4 million from the 2011 request.

The request includes a total of \$398.5 million for water and energy, land, and fish and wildlife resource management and development activities. Funding in these activities provides for planning, construction, water conservation activities, management of Reclamation lands including recreation, and actions to address the impacts of Reclamation projects on fish and wildlife.

The request also provides a total of \$406.7 million for water and power facility operations, maintenance, and rehabilitation activities. Reclamation emphasizes safe, efficient, economic and reliable operation of facilities, ensuring systems and safety measures are in place to protect the facilities and the public. Providing the funding needed to achieve these objectives continues to be one of Reclamation's highest priorities.

Highlights of the FY 2012 Request for Water and Related Resources

I would like to share with the Committee several highlights of the Reclamation budget including an update on the WaterSMART (Sustain and Manage America's Resources for Tomorrow) Program and Interior's establishment of a Priority Goal target to enable capability to increase available water supply for agricultural, municipal, industrial and environmental uses in the western United States by 490,000 acre-feet by the end of 2012.

WaterSMART Program — The request focuses resources on the Department of the Interior's WaterSMART program. The program concentrates on expanding and stretching limited water supplies in the West to reduce conflict, facilitate solutions to complex water issues, and to meet the growing needs of expanding municipalities, the environment, and agriculture.

Reclamation proposes to fund WaterSMART at \$58.9 million, \$11.0 million below 2011 levels when considering only the programs included that year. The three ongoing WaterSMART programs include: the WaterSMART Grant program funded at \$18.5 million; Basin Studies funded at \$6.0 million; and the Title XVI Water Reclamation and Reuse program funded at \$29.0 million. Two programs are being added to WaterSMART in 2012, the continuing Water Conservation Field Services program, funded at \$5.1 million, and participation by Reclamation in the Cooperative Watershed Management program, funded at \$250,000. This is a joint effort with the USGS. The USGS will use \$10.9 million, an increase of \$9.0 million, for a multi-year, nationwide water availability and use assessment program. Other significant programs and highlights include:

Ecosystem Restoration— In order to meet Reclamation's mission goals of securing America's energy resources and managing water in a sustainable manner for the 21st century, a part of its programs must focus on the protection and restoration of the aquatic and riparian environments affected by its operations. Ecosystem restoration involves a large number of activities, including Reclamation's Endangered Species Act recovery programs, which are required in order to continue project operations and directly address the environmental aspects of the Reclamation mission.

The 2012 request provides \$154.6 million for operating, managing and improving California's Central Valley Project (CVP). This amount supports Ecosystem Restoration including \$34.8 million for the Red Bluff Pumping Plant and Fish Screen within the CVP, Sacramento River Division, which will be constructed to facilitate passage for threatened fish species, as well as providing water deliveries. The funding for the CVP also includes \$10.5 million for the Trinity River Restoration program and \$3.0 million from the CVP Restoration Fund which includes development of a

comprehensive monitoring and adaptive management program for fishery restoration and construction of channel rehabilitation projects at various sites along the Trinity River.

The request includes \$26.0 million for Lower Colorado River Operations to fulfill the role of the Secretary as water master for the Lower Colorado River and implementation of the Lower Colorado River Multi-Species Conservation (MSCP) program which provides long-term Endangered Species Act compliance for the operations. Of this amount, \$18.3 million for the MSCP program will provide quality habitat to conserve populations of 26 species.

The budget requests \$20.0 million for other Endangered Species Act Recovery Implementation programs, including \$11.0 million in the Great Plains Region to implement the Platte River Endangered Species Recovery Implementation program. It also includes \$6.2 million for the Upper Colorado and San Juan River Endangered Fish Recovery programs. This funding will continue construction of a system that automates canal operations to conserve water by matching river diversions with actual consumptive use demands and redirecting the conserved water to improve instream flows. Additionally, the Columbia/Snake River Salmon Recovery program funding of \$17.8 million will be used for implementation of required Biological Opinion actions including extensive hydro actions, plus tributary habitat and hatchery initiatives.

The 2012 budget includes \$18.6 million for the Klamath project, which supports studies and initiatives to improve water supplies to meet the competing demands of agricultural, tribal, wildlife refuge, and environmental needs in the Klamath River Basin.

No funding is requested for the Klamath Dam Removal and Sedimentation Studies. These studies are being completed with funds previously appropriated and will be used to inform a Secretarial Determination in 2012 as to whether removing PacifiCorp's four dams on the Lower Klamath River is in the public interest and advances restoration of the Klamath River fisheries. The studies and Secretarial Determination are being carried out pursuant to an agreement with PacifiCorp and the states of California and Oregon.

The 2012 budget includes \$23.6 million for the Middle Rio Grande project. Funds support the acquisition of supplemental non-federal water for Endangered Species Act efforts and low flow conveyance channel pumping into the Rio Grande during the irrigation season. Further, funding is used for recurring life cycle river maintenance necessary to ensure uninterrupted, efficient water delivery to Elephant Butte Reservoir, reduced risk of flooding, as well as delivery obligations to Mexico.

The Yakima River Basin Water Enhancement Project request is \$8.9 million, which will continue funding grants to the Benton and Roza Irrigation Districts and Sunnyside Division Board of Control, to implement conservation measures and monitor the effects of those measures on the river diversions.

Cooperative Landscape Conservation and Renewable Energy—Reclamation is actively engaged in developing and implementing approaches to understand, and effectively adapt to, the risks and impacts of climate change on western water management. The Basin Studies Program is part of Interior's integrated strategy to respond to climate change impacts on the resources managed by the Department, and is a key component of the WaterSMART Program. In 2012, the Basin Studies Program will continue West-wide risk assessments focusing on the threats to water supplies from climate change and other factors and will be coordinated through the Department's Landscape Conservation Cooperatives (LCCs). Reclamation will take the lead responsibility for establishing and coordinating work at the Desert and Southern Rockies LCCs. Included within Reclamation's Science and Technology program is water resources research targeting improved capability for managing water resources under multiple drivers affecting water availability, including climate change. This research agenda will be collaborated and leveraged with capabilities of the Interior Climate Science Centers.

Reclamation is also working in partnership with DOE and COE in identifying opportunities to address the President's clean energy goals through the development of new sustainable hydropower capacity as well as integrating renewable energy in our operations. The partnership with DOE and its Power Marketing Administrations will also assess climate change impacts on hydropower generation.

Supporting Tribal Nations – Reclamation has a long-standing commitment to realizing the Secretary's goal to strengthen tribal nations. FY 2012 continues support through a number of Reclamation projects ranging from endangered species restoration to rural water and implementation of water rights settlement actions.

The request includes \$12.8 million for the Animas-La Plata project to continue constructing components of the Navajo Nation Municipal Pipeline and filling Lake Nighthorse as the project nears completion.

The 2012 Reclamation budget requests \$35.5 million for on-going authorized rural water projects. The projects that benefit tribal nations include Mni Wiconi, the rural water component of the Garrison Diversion Unit, Fort Peck Reservation/Dry Prairie, Jicarilla Apache Reservation, and Rocky Boys/North Central Montana. One other rural water project that does not directly affect Tribes is the Lewis and Clark Project. Funding for the Perkins County Project is complete. The first priority for funding rural water projects is the required O&M component, which is \$15.3 million for FY 2012. For the construction component, Reclamation allocated funding based on objective criteria that gave priority to projects nearest to completion and projects that serve on-reservation needs.

The request includes \$7.0 million for the Native American Affairs program to provide technical support for Indian water rights settlements and to assist tribal governments to develop, manage and protect their water and related resources. The Columbia/Snake River Salmon Recovery, Klamath, Central Valley Project Trinity River Restoration, Yakima and Yakima River Basin Water Enhancement Projects mentioned above under Ecosystem Restoration benefit tribal nations. Also, the newly established Indian Water Rights Settlement Account discussed below supports tribal nations.

Youth Employment – To meet the Secretary’s challenge to achieve the Priority Goal for youth employment, Reclamation is working hard to engage, educate and employ our nation’s youth in order to help develop the future stewards of our lands. Secretary Salazar challenged the Interior Bureaus to increase employment of youth between the ages of 15 and 25 in natural and cultural resource positions. Last year, Reclamation began working with youth conservation corps to hire youth and expose them to the great work that it does. We continue to use all hiring authorities available to bring young people in through internships, crew work, and full time positions.

Aging Infrastructure – Through Reclamation’s continued emphasis on preventive maintenance and regular condition assessments (field inspections and reviews), the service life of many Reclamation assets and facilities have been extended, thereby delaying the need for significant replacements and rehabilitation efforts, including the related funding needs. Although Reclamation and its project beneficiaries have benefited greatly from this preventive maintenance, we recognize that as assets and facilities age, they require an increased amount of maintenance. Sometimes this requires more frequent preventive maintenance, and, in other situations, significant extraordinary maintenance, rehabilitations, or replacements may be required.

It is important to note that much of the operation and maintenance (O&M) funding responsibilities of Reclamation’s assets lies with our project beneficiaries and those operating entities that operate and maintain federally owned transferred works. For some operating entities and project beneficiaries, rehabilitation and replacement needs may exceed available resources. In particular, many smaller irrigation or water conservancy districts are unable to fund these needs in the year incurred absent long-term financing assistance. To address this issue, the Administration is currently exploring strategies for helping these entities to rehabilitate these facilities. We are also exploring potential utilization of the authority provided under P.L. 111–11 that would allow extended repayment of extraordinary (non-routine) maintenance costs on project facilities. Water users are currently required by Federal reclamation law to pay these costs, which are often substantial, in advance.

Reclamation’s FY 2012 proposed budget is \$40.8 million in appropriations for various projects for Replacements, Additions, and Extraordinary Maintenance (RAX) activities where Reclamation is directly responsible for daily O&M. This request is central to mission objectives of operating and maintaining projects to ensure delivery of water and power benefits. Reclamation’s RAX request is part of its overall Asset Management Strategy that relies on condition assessments, condition/performance metrics, technological research and deployment, and strategic collaboration to continue to improve the management of its assets and deal with its aging infrastructure challenges. This amount represents only the FY 2012 request for discretionary appropriations. Additional RAX items are directly funded by revenues, customers, or other federal agencies.

The Bonneville Power Administration will continue to provide up-front financing of power operation and maintenance and for major replacements and additions for the power plants at the Boise, Columbia Basin, Hungry Horse, Minidoka, Rogue River, and Yakima projects. In the Great Plains (GP) Region, Reclamation, Western Area Power Administration, and the U.S. Army Corps of Engineers have entered into an agreement which enables the customers to voluntarily direct fund power RAX items. A long-term funding agreement with the customers for the Parker-Davis Project on the Colorado River was executed in FY 1999. FY 2012 costs of operation, maintenance and replacement for this project will be 100 percent up-front funded

by the customers. To date, the Central Valley Project power O&M program is funded 100 percent by the customers, in addition to funding selected RAX items. Reclamation will continue to explore ways to reduce the Federal cost of its projects and programs.

A total of \$83.7 million is requested for Reclamation's Safety of Dams program, which includes \$63.6 million directed to dam safety corrective actions; of that, \$27.5 million is for work at Folsom Dam. Funding also includes \$18.5 million for safety evaluations of existing dams and \$1.6 million to oversee the Interior Department's Safety of Dams program.

Reclamation's request for Site Security is \$25.9 million to ensure the safety and security of the public, Reclamation's employees, and key facilities. This funding includes \$6.9 million for physical security upgrades at high risk critical assets and \$19.1 million to continue all aspects of bureauwide security efforts including law enforcement, risk and threat analysis, personnel security, information security, risk assessments and security-related studies, and guards and patrols.

Reclamation continues efforts to reach agreements with non-Federal and Federal partners to share in the cost of water resource management and development. Cost-sharing of 50 percent for construction and rehabilitation of recreation facilities at various Reclamation reservoirs will continue. Additionally, Reclamation's current planning program seeks 50 percent cost-sharing on most studies. This reflects Reclamation's emphasis on partnerships for water management initiatives.

Indian Water Rights Settlements

On December 8, 2010 the President signed the Claims Resolution Act of 2010 that included four water settlements. These settlements resolve longstanding and disruptive water disputes, provide for the quantification and protection of tribal rights, and will deliver clean water to the Pueblos of Taos, Nambe, Pojoaque, San Ildefonso, and Tesuque in New Mexico, the Crow Tribe of Montana, and the White Mountain Apache Tribe of Arizona. In order to accomplish this, the Act provides various mechanisms and funding structures designed for both construction and for the tribes to use to manage water systems following construction. The primary responsibility for developing water infrastructure under these settlements was given to Reclamation. Mandatory funding was provided to both BIA and Reclamation in 2011 for a portion of the funds established under the Act. We anticipate that Reclamation will begin expending some of this mandatory funding to work with all parties to begin implementing these settlements.

The four Indian water rights settlements will provide water supplies and offer economic security for the tribes and pueblos described above. The agreements will build and improve reservation water systems, rehabilitate irrigation projects, construct a regional multi-pueblo water system, and codify water-sharing arrangements between Indian and neighboring communities. Construction will take place over time and annual funding requirements will vary from year to year. Notwithstanding the availability of some level of mandatory funding, discretionary appropriations will still be necessary. Reclamation is requesting \$26.7 million in 2012 for the initial implementation of these four settlements.

Reclamation is establishing the Indian Water Rights Settlements account to assure continuity in the construction of the authorized projects and to highlight and enhance transparency in handling these funds. In establishing this account, Reclamation will also request \$24.8 million for the Navajo-Gallup Water Supply project (Title X of Public Law 111-11) in order to have major current funding for Reclamation's Indian Water Rights Settlements treated in the Claims Resolution Act in a single account.

The Navajo-Gallup Water Supply Project will provide reliable and sustainable municipal, industrial, and domestic water supplies from the San Juan River to the Navajo Nation including the Window Rock, AZ area; the city of Gallup, NM; the Navajo Agricultural Products Industry; and the southwest portion of the Jicarilla Apache Nation Reservation.

The total request for Reclamation for Indian Water Rights Settlements in 2012 is \$51.5 million in discretionary funding and \$60.0 million in permanent funds.

Policy and Administration

The 2012 budget request for the Policy and Administration appropriation account, the account that finances Reclamation's central management functions, is \$60.0 million or 6% of the total request, a reduction of \$1.2 million from the 2011 request. This reduction reflects the impact of the pay freeze and the Administrative Cost Savings discussed below.

Administrative Cost Savings and Management Efficiencies

The 2012 budget request includes reductions that reflect the Accountable Government Initiative to curb non-essential administrative spending in support of the President's commitment on fiscal discipline and spending restraint. In accordance with this initiative, Reclamation's budget includes \$5.8 million in savings in 2012 against actual 2010 expenditures in the following activities: travel and transportation of persons, transportation of things, printing and reproduction, and supplies and materials. Actions to address the Accountable Government Initiative and reduce these expenses build upon management efficiency efforts proposed in 2011 totaling \$3.9 million in travel and relocation, Information Technology, and strategic sourcing and bureau-specific efficiencies totaling \$1.3 million.

Central Valley Project Restoration Fund

The 2012 budget includes a request of \$53.1 million for the CVPRF. This budget request is offset by collections estimated at \$52.8 million from mitigation and restoration charges authorized by the Central Valley Project Improvement Act. The request considers the effects of the San Joaquin River Restoration Settlement Act (P.L. 111-11, March 30, 2009) which (beginning in 2010) redirects certain fees, estimated at \$5.6 million in FY 2012, collected from the Friant Division water users to the San Joaquin River Restoration Fund.

San Joaquin River Restoration Fund

The 2012 budget also reflects the settlement of *Natural Resources Defense Council v. Rodgers*. Reclamation proposes \$9.0 million in discretionary funds into this account, which was established by the San Joaquin River Restoration Settlement Act. Under the Settlement, the legislation also provides for approximately \$2 million in annual appropriations for the Central Valley Project Restoration Fund for this purpose, as well as mandatory funds. The Fund seeks to provide a variety of physical improvements within and near the San Joaquin River within the service area of the Friant Division long term contractors to achieve the restoration and water management goals. These funds are important for Reclamation to meet various terms of the settlement that brought water contractors, fishery advocates, and other stakeholders together to bring to an end 18 years of contentious litigation.

California Bay-Delta Restoration Fund

The 2012 budget requests \$39.7 million for CALFED, pursuant to the CALFED Bay-Delta Authorization Act. The request focuses on the Bay-Delta Conservation Plan and interagency science efforts to address short- and long-term water resource issues. Other activities include funds for water use efficiency, water quality, storage, ecosystem restoration, and planning and management activities. The CALFED Bay-Delta Program was established in May 1995 to develop a comprehensive long-term plan to address the complex and interrelated problems in the Delta region, tributary watersheds, and delivery areas. The Program's focus is on conserving and restoring the health of the ecosystem and improving water management, including Federal participation in the Bay Delta conservation Plan

FY 2012 Planned Activities

Reclamation's FY 2012 goals are directly related to fulfilling contractual requests to deliver water and power. Our goals also address a range of other water supply needs in the West, playing a significant role in restoring and protecting freshwater ecosystems consistent with applicable State and Federal law, enhancing management of our water infrastructure while mitigating for any harmful environmental effects, and understanding and responding to the changing nature of the West's limited water resources. It should be emphasized that in order to meet Reclamation's mission goals of securing America's energy resources and managing water in a sustainable manner for the 21st century, a part of the Bureau's programs must focus on the protection and restoration of freshwater ecosystems.

By the end of FY 2012, Reclamation will enable capability to increase available water supply for agricultural, municipal, industrial, and environmental uses in the western United States by 490,000 acre feet through its conservation-related programs, such as water reuse and recycling (Title XVI), and WaterSMART grants. Reclamation will maintain dams and associated facilities in good condition to ensure the reliable delivery of water. It will maximize the percent of time that its hydroelectric generating units are available to the inter-connected Western electrical system during daily peak demand periods.

Moreover, the FY 2012 budget request demonstrates Reclamation's commitment to meeting the water and power needs of the West in a fiscally responsible manner. This budget continues Reclamation's emphasis on managing those valuable public resources. Reclamation is committed to working with its customers, States, Tribes,

and other stakeholders to find ways to balance and provide for the mix of water resource needs in 2012 and beyond.

Conclusion

Mr. Chairman, please allow me to express my sincere appreciation for the continued support that this Subcommittee has provided Reclamation. This completes my statement. I would be happy to answer any questions that you may have at this time.

Mr. McCLINTOCK. Thank you very much, Commissioner. Now I will recognize Mr. Werkheiser to testify for five minutes.

STATEMENT OF MR. WILLIAM WERKHEISER, ASSOCIATE DIRECTOR FOR WATER, U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR

Mr. WERKHEISER. Good morning, Mr. Chairman, and Members of the Subcommittee. Thank you for the opportunity to appear before you today to discuss the Administration's 2012 budget request for the U.S. Geological Survey.

The request for the USGS is \$1.1 billion, an increase of \$6.1 million from the 2010 enacted level. The request for water resources totals \$199.6 million. This represents a reduction of \$21.6 million from the 2010 enacted level. Natural resource managers, natural hazard responders, industry, and the public continue to rely on the important science data and information that the USGS produces as part of its core mission to provide the scientific basis that contributes to the wise management of the nation's natural resources and promotes the health, safety, and well-being of its people.

In the last year, USGS science has been at the forefront in responding to many natural resource and natural hazards challenges. For example, the USGS recently made available instant customized updates about the water conditions through its "WaterAlert" system. This service allows users to receive updates about river flows, groundwater levels, water temperatures, rainfall, and water quality at more than 9,500 sites nationwide.

Real-time water data are essential to those making daily decisions about water-related activities whether for resource management business operations, flood response or recreation. WaterAlert furthers USGS's efforts to make data immediately available and relevant to every user. The 2012 budget provides \$10.9 million for USGS activities in the WaterSMART initiative. This is \$9 million above the 2010 enacted level.

Under this initiative, USGS will conduct comprehensive water supply and demand inventories to provide the baseline information needed by public and private water managers to work toward sustainable water supplies. This effort will include estimating freshwater resources across the nation, assessing water use and distribution for human and environmental and wildlife needs, and evaluating factors affecting water availability, including energy development, changes in agricultural practices, increase in population, and competing proprieties for limited water resources.

To address the President's priority on fiscal responsibility, the USGS 2012 budget makes vital investments in research and development and ecosystems restoration while also proposing to make difficult reductions within a number of programs. Those programs

include: regional assessments of groundwater quantity and quality; toxic substance research; the Water Resources Research Act Program; and the National Water Quality Assessment Program. In addition, it increases our proposed two-year, Interior-wide management efficiencies and administrative savings and travel, contracts, supplies, and information technologies.

These changes reflect tough and difficult choices and we are repositioning core responsibilities to better address the complex societal issues within a reduced funding level.

The USGS 2012 budget request includes establishment of a separate treasury account for Landsat missions along with an increase of \$48 million to develop Landsats 9 and 10. Landsat furthers Interior's important role in land remote sensing under the President's National Space Policy, and provides invaluable data for land use and climate change research. Landsat has become vital to the nation's agricultural water management, disaster response in scientific communities.

The 2012 budget reflects our ability to address a broad array of natural resource and natural science issues facing the nation. The challenges ahead are great, but the USGS is committed to placing our science data and information into the hands of decisionmakers across the landscape when they need it and in formats that they can really use.

The 2012 budget request aims to ensure our scientific expertise is applied effectively, efficiently, and strategically to meet the nation's most pressing needs today and to preserve our wealth of biologic, geologic, geographic and hydrologic monitoring capabilities to meet the needs of tomorrow.

The USGS will continue its legacy of providing the data, long-term scientific understanding, and scientific tools needed to sustain and improve the economic and environmental health of people in communities across the Nation and around the world.

This concludes my statement, Mr. Chairman. I will be happy to answer the questions that you and other Members have. I appreciate this opportunity to testify before you and the Subcommittee and look forward to our continued collaboration.

[The prepared statement of Mr. Werkheiser follows:]

**Statement of William Werkheiser, Associate Director, Water,
U.S. Geological Survey, U.S. Department of the Interior**

Good morning, Mr. Chairman and Members of the Subcommittee. Thank you for the opportunity to appear before you today to discuss the Administration's 2012 budget request for the U.S. Geological Survey (USGS).

Much about the USGS has changed in the year since we last sat together in this room to discuss funding for the important work the USGS does for the Nation. The USGS has realigned its management structure, moving from an organizational structure of single and separated disciplines to form interdisciplinary mission areas as outlined in the USGS Science Strategy: "*Facing Tomorrow's Challenges—U.S. Geological Survey Science in the Decade 2007–2017*" (U.S. Geological Survey, 2007). I appreciate the Subcommittee's support for the realignment. The 2012 USGS budget request formally aligns the USGS budget structure with the new mission area management structure. We are already seeing evidence that bringing expertise from several Earth science disciplines together through these mission areas to address issues of concern allows the USGS to better respond to customer and partner needs to provide the best value to the taxpayers.

While much has changed at USGS, some things have not. Natural resources managers, natural hazards responders, industry, and the public continue to rely on the important science, data, and information the USGS produces as part of its core mis-

sion to provide the scientific basis that contributes to the wise management of the Nation's natural resources and that promotes the health, safety, and well-being of people. Given the rapid pace required for management and policy decisions in comparison to the more deliberative time scale for authoritative, peer reviewed science, the USGS must always anticipate the Nation's needs and maintain a broad portfolio of research and researchers across the country. The last year has provided numerous examples of how USGS science is providing relevant and timely scientific results to address some of the most pressing natural resources challenges of our time.

In the last year, USGS science has been at the forefront in responding to many natural resource challenges. The USGS recently released the first ever detailed inventory of rare earth elements describing known deposits for the entire Nation. These elements are essential components for many current and emerging alternative energy technologies, such as electric vehicles, photo-voltaic cells, energy-efficient lighting, and wind power. The assessment will be very important both to policy-makers and to industry, and it reinforces the value of our efforts to maintain accurate, independent information on our Nation's natural resources as only the USGS can do.

USGS hazards science made great strides as well. In the aftermath of the January 2010 Haiti earthquake, USGS scientists used geological field observations and interpretations of satellite imagery, aerial photography, and light detection and ranging (LiDAR) to discover the main strand of the Enriquillo-Plantain Garden Fault thought to be responsible for the January quake had not ruptured and the hazard associated with the fault still remains high. Information of this nature is critical as Haiti continues its struggle to recover from the impacts of the devastating earthquake and make important decisions on rebuilding its capital city.

The USGS continues its efforts to put science, data, and information into the hands of those who need it for decision making. In recent months, the USGS announced that estimated economic loss and casualty information will now be included in USGS earthquake alerts following significant earthquakes around the world. These earthquake alerts are widely recognized and used by emergency responders, government and aid officials, and the public to understand the scope of the potential disaster and to develop the best response. The USGS automated system, PAGER (Prompt Assessment of Global Earthquakes for Response), within minutes provides preliminary estimates of earthquake impacts, including the range of possible fatalities and economic losses, by assessing the shaking distribution, the number of people and settlements exposed to severe shaking and other factors. This information is critical in determining the human and economic toll so that emergency responders can act promptly and effectively.

The USGS recently made available instant, customized updates about water conditions through its "WaterAlert" system. This system allows users to receive updates about river flows, groundwater levels, water temperatures, rainfall and water quality at more than 9,500 sites where the USGS collects real-time water information. This information is crucial for managing water resources, including during floods, droughts and chemical spills. Real-time water data are essential to those making daily decisions about water-related activities, whether for resource management, business operations, flood response or recreation. WaterAlert furthers USGS efforts to make data immediately available and relevant to every user.

USGS long-term monitoring and robust ecosystem studies continue to pay dividends as our Nation seeks to discover whether investments in ecosystem restoration are working. One example is a recent study that determined the Potomac River in Washington, D.C., is showing multiple benefits from restoration efforts. According to direct measurements taken during the 18-year field study, reduced nutrients and improved water clarity have increased the abundance and diversity of submerged aquatic vegetation in the Potomac. The public deserves to know whether its investments are having tangible results. This study and others like it provide that information.

It is the hard-working scientific and professional staff at the USGS, powered by this Subcommittee's long-term investment in and commitment to science, that makes these advancements possible. The success of USGS efforts, such as those highlighted here, makes it all the more challenging to make tough decisions regarding the allocation of scarce fiscal resources.

To address the President's priority on fiscal responsibility, the USGS 2012 budget makes vital investments in research and development and ecosystem restoration, while also proposing reductions within programs such as regional assessments of groundwater quantity and quality; toxic substances research; mineral resource assessments; research and grants that address the Nation's resilience to natural hazards; the Water Resources Research Act program; the National Biological Information Infrastructure; the National Water Quality Assessment Program; the National

Geological and Geophysical Data Preservation program; the National Cooperative Geological Mapping program; research to establish the limits of the extended Outer Continental Shelf; and the climate effects network. These changes reflect tough choices, not just the reduction of low-performing or unnecessary programs. We are repositioning core responsibilities to better address complex multidisciplinary issues within a reduced funding level.

The 2012 budget request for the USGS is \$1.1 billion, an increase of \$6.1 million from the 2010 enacted level. In 2012, the USGS is proposing to establish a new appropriations account, National Land Imaging (NLI), which comprises a base transfer from the Surveys, Investigations and Research (SIR) account of \$53.5 million coupled with an increase of \$48.0 million to begin work on Landsats 9 and 10. Excluding the NLI account, the SIR account is \$53.6 million below the 2010 enacted level. Decreases are proposed in scientific programs as well as for Interior-wide management efficiencies and administrative savings in travel, contracts, supplies, and information technology.

Major Changes

The USGS 2012 budget request includes establishment of a separate account for Landsat missions along with an increase of \$48.0 million to begin developing an operational Landsat program, starting with Landsats 9 and 10. Landsat furthers Interior's important role in land remote sensing under the President's National Space Policy and provides invaluable data for land use and climate change research. The new account will include funding for current satellites (Landsats 5 and 7), the Landsat Data Continuity Mission (Landsat 8), which is scheduled to launch in December 2012, and the development of Landsats 9 and 10, through a continuous Landsat program that will ensure data continuity in the future. Landsat has become vital to the Nation's agricultural, water management, disaster response, and scientific communities. Establishment of this account and the increase in funding will provide the stable budgetary foundation needed for a continuous capability. A permanent budgetary and managerial structure will ensure the continued collection and maintenance of the important data the Landsat satellite series provides.

The budget request also proposes an additional \$12.0 million for the restoration of some of the Nation's most iconic ecosystems. These efforts support America's Great Outdoors, the President's signature conservation initiative to protect and restore the health, heritage, natural resources and social and economic value of some of the Nation's most significant ecosystems. The USGS plays a vital role in the development and implementation of the America's Great Outdoors initiative, working in collaboration with other Interior bureaus and Federal agencies. Particular focus is given to important and iconic ecosystems, with targeted increases for Chesapeake Bay (+\$4.6 million), Columbia River (+\$1.4 million), Upper Mississippi River (+\$1.0 million) and Puget Sound (+\$1.5 million). The budget includes \$3.5 million for the Great Lakes, including support for USGS' role in the Asian Carp Control Framework, to detect and understand this invasive fish and develop chemical control tools.

Funding to complete the network of Interior Climate Science Centers, as called for in Secretarial Order 3289, is also included at \$11.0 million above the 2010 enacted level. The planned network of eight Interior Climate Science Centers will provide fundamental research and tools to the network of landscape conservation cooperatives and to natural and cultural resource managers. The Centers focus on understanding landscape stressors related to climate change and designing adaptation strategies at a regional level. In 2010, CSCs were established in the Northwest, Southeast and Alaska Regions. At the proposed funding level, the remaining CSCs will be established in the Northeast, South Central, North Central, Southwest and Pacific Islands regions.

To continue investment in science to support Interior's substantial coastal and ocean resource management responsibilities and its critical role in implementing the Administration's National Ocean Policy, the budget request includes an additional \$4.5 million for coastal and marine spatial planning. The USGS will continue leading the development of a national information management system for coastal, ocean and Great Lakes resources. This involves conducting a number of efforts important in managing resources with other Federal, State, tribal, and regional partners. Efforts include constructing a prototype Coastal and Marine Spatial Planning Internet portal for the Gulf of Mexico; developing modeling tools to forecast coastal vulnerability to projected sea level rise and predicted coastal storms; and establishing data standards and undertaking gap analysis to target future priority data collection activities.

Budget Summary by Budget Activity

The 2012 budget includes a total of \$166.4 million for the Ecosystems mission area. The request includes increases to the Terrestrial, Freshwater, and Marine Environments and Invasive species programs to support the President's signature conservation initiative, America's Great Outdoors.

The Climate and Land Use Change budget activity request totals \$106.4 million and includes new funding for completion of the Interior Climate Science Centers and funding for new efforts associated with carbon sequestration in the California Bay-Delta.

The 2012 total request for Energy, Minerals, and Environmental Health is \$88.5 million, which reflects a \$13.0 million reduction from the 2010 enacted level.

The total requested funding level for Natural Hazards in 2012 is \$133.9 million or \$5.1 million below the 2010 enacted level.

In 2012, the request level for Water Resources totals \$199.6 million. This represents a reduction of \$21.6 million from the 2010 enacted level.

The 2012 total budget request for Core Science Systems is \$105.9 million, a reduction of \$19.0 million below the 2010 enacted level.

The total funding level for Administration and Enterprise Information is requested at \$116.5 million and reflects a net program increase of \$1.4 million.

The 2012 total budget request for Facilities is \$100.8 million; a reduction of \$5.6 million below the 2010 enacted level.

Conclusion

The USGS 2012 budget request addresses issues long important to the Administration and Interior, and aligns the USGS budget structure with its management structure. This budget reflects our ability to address a broad array of natural-resource and natural-science issues facing the Nation. It also reflects tough choices and difficult decisions. The challenges ahead are great, but the USGS is committed to placing our science, data, and information into the hands of decision makers across the landscape when they need it and in formats they can readily use. The 2012 budget request aims to ensure our multidisciplinary science expertise is applied effectively, efficiently, and strategically to meet the Nation's most pressing needs today and to preserve our wealth of biologic, geologic, geographic, and hydrologic monitoring capabilities to meet the needs of tomorrow. The USGS will continue its legacy of providing the data, long-term scientific understanding, and scientific tools needed to sustain and improve the economic and environmental health and prosperity of people and communities across the Nation and around the world.

This concludes my statement, Mr. Chairman. I will be happy to answer the questions you and other Members have. I appreciate this opportunity to testify before you and this Subcommittee and look forward to our continued collaboration.

Mr. McCLINTOCK. Thank you very much for appearing today. At this point we will begin questions of the witnesses. To allow our Members to participate and to be sure that we can hear from all of our witnesses today, Members will be limited to five minutes for their questions. However, if Members have additional questions we can have more than one round of questioning, or Members can submit their statements for the hearing record. After the Ranking Member and I pose our questions, we will then recognize Members alternately in the same order as of the beginning of each panel question so those who were here when the questioning begins in order of seniority, followed by those who arrive after the questioning begins.

So, I will begin with my questions of Commissioner Connor. Commissioner, what is the Bureau's estimate of total additional water and hydroelectric resources that will be needed over the next 20 years to support the growing population, and agricultural and industry needs?

Mr. CONNOR. I don't know that we have done a West-wide assessment of projecting out in the future given population growth and changes in the economy structures and changes between mu-

municipal and industrial needs and agricultural needs, what those long-term—

Mr. MCCLINTOCK. Our responsibility is to meet those needs. Wouldn't that be a handy thing to have as an idea over the next 20 years of what those needs are?

Mr. CONNOR. Well, our goal at Reclamation is to operate our projects in as efficient a manner as possible to carry out that mission as well as looking forward and addressing the challenges that are before us. We are doing that in conjunction with a lot of other agencies, including USGS, or doing a water census and looking to project how these are changing over time, and what those ongoing needs will entail. So I envision as part of WaterSMART we will start to get some of the answers to some of those questions.

Mr. MCCLINTOCK. I think it would be helpful to get as comprehensive answer to that question as we can so we know where we have to be within 20 years, and without knowing that we don't have much of an idea of how to get there.

Mr. CONNOR. I absolutely agree.

Mr. MCCLINTOCK. What is the Bureau's inventory of additional water and hydroelectric resources that can be developed?

Mr. CONNOR. With respect to hydropower resources, we are engaged in an ongoing review of our facilities and looking for opportunities to identify for interaction with the private sector about where we could look to new development opportunities. We have done a Phase 1 Hydropower Assessment that we released the draft of last fall, which we are finalizing within the next week. That identified approximately 65 sites with the capacity of about 209 megawatts of potential capacity that—

Mr. MCCLINTOCK. I am sorry. How many megawatts?

Mr. CONNOR. Two hundred and nine megawatts of potential capacity. That is for new units at existing facilities. We are also looking at opportunities for low head hydropower. We have already done some assessments. We are envisioning finalizing a draft report out this fall that identify opportunities to—

Mr. MCCLINTOCK. What about potential resources? For example, the Auburn Dam alone is 800 megawatts of additional generating capacity.

Mr. CONNOR. With respect to those type of facilities that are not yet in place, we have not done an assessment of opportunities out West.

Mr. MCCLINTOCK. So we don't know what the total resources are for hydroelectricity. How about for water?

Mr. CONNOR. For water, we have a number of specific ongoing studies that exist with respect to potential storage opportunities. We have also assessed what our opportunities given our existing budget conditions to create new water supplies through efficiency operations and conservation areas. That is the 490,000 acre-feet goal that I mentioned. With respect to storage studies—

Mr. MCCLINTOCK. Well, look at just the Auburn Dam capacity is 2.3 million acre-feet, so obviously again we don't seem to have a comprehensive picture of what we need or how much we have available to us that we could possibly develop.

Mr. CONNOR. We are not surveying every site out there in the West for water storage opportunities, that is correct.

Mr. MCCLINTOCK. So obviously you don't have a plan to apply those undeveloped resources to meet our needs over the next generation.

Mr. CONNOR. We have a plan to use our resources to create new water supplies but not a comprehensive scale across the West.

Mr. MCCLINTOCK. Well, over the last 20 years the population in the West has increased about 40 percent. How much has our water supply increased?

Mr. CONNOR. I don't know the answer to that question.

Mr. MCCLINTOCK. How much has our hydroelectricity capacity increased?

Mr. CONNOR. Overall, I don't have an answer to that question either. I know that certain—

Mr. MCCLINTOCK. It is fundamental to the mission of the Bureau of Reclamation. I would hope that you can get information to us at some point in the very near future.

Mr. CONNOR. Well, to assess those resources thoroughly we would need to be able to conduct feasibility studies of all the opportunities out there. Congress took that authority away from us many years ago, decades ago. So we can do appraisal analysis. We do a lot of those studies with our partners in looking at opportunities that they see at the local level, but you are correct, we do not have a comprehensive West-wide program to do feasibility assessments of all opportunities for water and power development.

Mr. MCCLINTOCK. Thank you. Ms. Napolitano.

Mrs. NAPOLITANO. Thank you, Mr. Chairman, and my first question would be to Commissioner Connor.

What would happen in the Klamath Basin if the restoration agreement and the settlement agreement were not authorized nor implemented?

Mr. CONNOR. If the agreements that have been struck in the Klamath Basin do not move forward, right now it is hard to say, but there is an opportunity right now for a long-term resolution of the conflict and issues that exist in the Klamath Basin. Right now we are doing an assessment, a secretarial determination on assessing the public interest and the opportunity to revise the fishery through the removal of the four dams.

We are not undertaking that study and analysis on our own accord. It is by an agreement by the owner of that dam, a private owner of that dam, PacifiCorp, who has looked forward with different constituencies and stakeholders in the Klamath Basin and recognize that there is a history of conflict, there is an ongoing limitation to the hydropower generation capacity in those dams because of that, because of limited water supply, because of environmental issues, and right now those dams, the licenses have expired under FERC, and they have to engage in a re-licensing process under the Federal Power Act.

The reality of that re-licensing process is if they go through that, that they are looking at as a minimum, according to PacifiCorp, at a minimum of \$400 million of capital cost associated with retrofitting those dams with fish passage and other requirements. They are looking at increased operation and maintenance costs, and PacifiCorp has made the determination through its filings with the California Public Utility Commission and the Oregon Public Utility

Commission that the rate payers are going to pay a substantially higher rate in the future if those dams stay in place and the relicensing processes has to go forward.

So, the first step is analyzing the value and the benefits and the costs of removing those dams, and that, if the determination would be made to move forward and do that, that has the potential for saving the rate payers on the electricity site lots of money, and that is well documented in the filings before the public utility commissions in those decision. That is the energy side.

On the environmental side we have ongoing conflicts because of the competing endangered species' needs in the Upper Klamath Lake and in the Klamath River with the salmon species. Those ongoing conflicts create impacts to the agricultural water supply that we have available for the Klamath project. I should note that those constituency, the irrigation districts, the Klamath Basin Water Users Association are very strongly supportive of moving forward with the hydropower settlement agreement and the Klamath Basin restoration agreement because it will provide long-term certainty. Improving the overall environment will improve the ability to provide water for agriculture.

Last, there are three tribes in the basin, four tribes that exist in the basin who have an invested interest in fishery resources as do non-Indian communities also. This is a good chance to create access, depending on how the determination would come up, to 300 miles of additional habitat in the Klamath Basin and a great opportunity to restore the fisheries, which has interest to the tribes, according to their treaty rights, as well as economic opportunities for people in the basin.

So, we have an ongoing history of conflict. We have additional costs that will be incurred. If everything stays the status quo, we will have more uncertainty, whereas if the status quo changes in the Klamath Basin the hope would be that the conflict that is involved in that basin for so long will be gone, that there will be more certainty for water users, for the fishery, and that overall power costs will be held in check.

Mrs. NAPOLITANO. Thank you for the long answer, but that answers my question.

Mr. Werkheiser, does the Fiscal Year 2012 budget request provide adequate funding for data collection and scientific research to inform Water Resource Management given the threats of climate change to our water supplies? And I am very, very keying in on Landsat 8, and some of the information that has come back to us; in fact, how valuable it has been for the ability to forecast in some areas.

Mr. WERKHEISER. That is right. As far as data collection for water management purposes, recognizing the difficult budget environment we are in, we try to preserve those critical data collection activities on a nationwide basis. So, we have tried to preserve those, especially those things. We would like our national stream flow information program, and the cooperative water program where much of the data collection activity takes place, so we have tried to preserve those as much as we could.

We look to Landsat, there is supposed to be Landsat 8, to help inform us in the data collection activity.

Mrs. NAPOLITANO. Thank you for your answer. Thank you.

Mr. MCCLINTOCK. Thank you. Mr. Denham for five minutes.

Mr. DENHAM. Thank you, Mr. Chairman. My question goes to Mr. Connor.

First of all, the Reclamation has estimated through 2014 that the implementation of the San Joaquin River Restoration Program is about \$500 million, and the basic question is where is that money going to come from?

Mr. CONNOR. Well, I don't know if it is \$500 million through 2014. I think it is the overall terms of the program, which is a longer time period than just 2014.

Right now from the restoration program it is a collection of different opportunities to implement the program. There is \$88 million in mandatory funding provided by Congress when the initial Act was authorized in 2009, so we are using those resources right now. The State of California has committed \$200 million for the overall restoration effort. I think that is at a minimum. There are funds being made available on an annual basis through this Central Valley Project Restoration Fund, approximately to the tune of \$2 million per year, and there are also funds contemplated to be made available from charges that are paid for by the water users, and we have appropriations request in our 2012 budget, so it is through that collection of different funding mechanisms that we are going to use those resources to implement the San Joaquin River Restoration Program.

Mr. DENHAM. Thank you. I would like to see a detail of all of that. I have a number of questions here just on the cost-benefit ratio for the salmon run and re-introducing those to the San Joaquin River. I will submit those to you.

The biggest concern I have right now is what is Reclamation doing to replace the water that has been lost so that we can actually get our agricultural industry working again in the Central Valley? We are at about 20 percent unemployment now.

Mr. CONNOR. Well, we are taking a whole lot of actions to try and augment the water supplies, to supplement them, to be more efficient, and through those efforts efficiency, as Congressman Costa indicated, we have a Inner Tie project that we funded last year that we had a ground breaking. That is estimated to save something in the order of 35,000 acre-feet to add to the project water supply. We are supplementing the water supply and looking for alternative sources for some of the refuges; the level II diversification.

Mr. DENHAM. Supplementing or replacing?

Mr. CONNOR. Replacing actually through some of the flexibility in the water supply for the refuge by looking for opportunities to use groundwater. There are CVP contracts with that supply, saving some of the storage for other CVP needs. We are looking at a water transfer program, which will move water from those who have sufficient quantities for their use to those who don't have sufficient quantities for their use. We are looking at doing an exchange program, source shifting so that we can make water available to water users south of Delta, and use some of the flexibility of the storage in Southern California, and we are doing that with an opportunity with Metropolitan Water District.

So, there are a whole series of actions that we are taking to shore up our allocations, to be a little bit more aggressive in our allocations while also we engage in our ongoing conservation efforts both in the agricultural sector and the municipal/industrial sector.

Mr. DENHAM. Does it get us to 100 percent allocation?

Mr. CONNOR. Well, 100 percent allocation, if you are 100 percent of the contract, is not something that has been experienced in the last 20 years. The average annual allocation amount is 62 percent over the last 20 years for south of Delta agricultural water service contractors.

Mr. DENHAM. Currently this year it is 50 percent?

Mr. CONNOR. This year it is 50 percent. The average initial allocation, we have only made an initial allocation. We will continue the allocation process through the May time period. The average annual initial allocation south of Delta agricultural water service contractors is 46 percent. We are at 50 percent this year. If we get additional precipitation in the San Joaquin Basin, I anticipate that the south of Delta allocation will go up.

Mr. DENHAM. We are currently at 130 percent to 200 percent of the current snow pack?

Mr. CONNOR. We are 127 percent of snow pack year to date overall. That was the figure that we used when we made the initial allocation. Overall, that reflects 68 percent of the overall water year average, so we are a conservative bunch at the Bureau of Reclamation, so we have made an allocation based on the notion that we have a lot of the water year left. We have tried to be as very aggressive as we can because that helps the farmers make their decisions, so we are at 50 percent right now, but you have to remember we are still under the overall year-long average, that 127 percent. That figure represents precipitation year to date.

Mr. DENHAM. And—

Mr. MCCLINTOCK. We are going to have to cut you off there. I am sorry. Your time is up.

Mr. DENHAM. Thank you. I will submit the rest to you.

Mr. MCCLINTOCK. We can go for another round of questioning—

Mr. DENHAM. OK.

Mr. MCCLINTOCK.—at the end of this panel. Again, an order of seniority when questioning began followed by order of arrival, Mr. Costa.

Mr. COSTA. Thank you very much, Mr. Chairman. Mr. Denham, it is different than Sacramento, but you will get used to it.

You know, the Chairman made a good observation about the Bureau is the largest wholesaler of water in the entire country, 31 million acre-feet on the average, I believe, and I think you ought to be making assessments, especially in the western states where it is so critical, and we have growth patterns that are taking place. And if there is a bar, and I am not familiar with that bar that took place previously about making these assessments, and we ought to look about removing that bar because you cannot be a good purveyor as the largest wholesaler of water in the West and not make these assessments about the change in growth patterns, whether it is New Mexico, Idaho, or California. So that is just food for thought, Mr. Chairman, and I would concur working on that.

Let me grind into some of the questions here. First of all, taking off on Mr. Denham's point on the San Luis unit. While it is 50 percent there, other Federal service areas are at 100 percent on different regions within the state. What do you think, and I do applaud you, you have announced earlier than you have ever before the first early allocation so farmers can plan and meet with their bankers and get the loans necessary, but I believe that here in the next four weeks, we have rain patterns going right now, and I have the actual current flows in the snow packs that are Trinity, Shasta and Folsom, as well as New Melones and Millerton Lake that are prime reservoir supplies for this water.

I believe the current flexibility that you are demonstrating is not being demonstrated with NOAA as it relates to the San Luis unit. Do you believe that is the critical area in terms of where we could get in in April and May allocation that we will have to revert back to flows that would not allow us to exceed the 50 percent level?

Mr. CONNOR. Well, I am not sure I am following 100 percent. I think we are in good shape with the 50 percent allocation.

Mr. COSTA. But I think when we have other areas that have 100 percent in the area, that we could get up to 60 or 70 percent, but we are going to have to cut back in April and May, as you know.

Mr. CONNOR. Right. You are absolutely correct.

Mr. COSTA. And that flexibility that you are demonstrating is not being demonstrated, in my view, by the Department of Commerce under NOAA even though we have these above average rainfall and snow pack on the Sierra.

Mr. CONNOR. Let me point out something there. We are working very closely with NOAA, and I do think that we have a more coordinated and more flexible approach that we are applying to all these issues. I should say though you are correct. We are going to cut back pumping under the NOAA biological opinion in April under its terms, and we will go back to a combined—

Mr. COSTA. And that will be a reduction of 200,000 acre-feet of water, I believe.

Mr. CONNOR. I have not done the acre-foot calculation.

Mr. COSTA. OK.

Mr. CONNOR. It goes down to 1,500.

Mr. COSTA. But we have to work on that.

Mr. CONNOR. Well, let me just mention though it is not just the NOAA biological opinion though. That is April. May, we would be—whether or not there was a NOAA biological opinion, we would be restricting pumping in May. The Bureau of Reclamation operates its projects under state water permits. We have conditions on those permits. The permit as it currently exists—

Mr. COSTA. No, but you also have now two opinions, one by Judge Wanger on salmonid that has asked you to go back to the drawing board on that, and another one that is pending as it relates to Delta Smelt.

Mr. CONNOR. And if those are thrown out eventually, which actually isn't where the litigation is going. We will still have our state water permit conditions which restrict our pumping in May.

Mr. COSTA. All right. To be revisited here. We will have to sit down and talk about that.

Let us move over to the San Joaquin River/Delta Settlement Agreement. I mentioned in my opening comments that I think we have a host of efforts that are not being done. First of all, the feasibility study by the Bureau of Reclamation has not been done in 2006 or 2008 since the enactment of the legislation. Where are we on that?

The programmatic efforts on the environmental impact efforts need to be done if we are going to mitigate for these projects. What is your plan to compensate for landowners for damages they suffered last year?

Mr. CONNOR. We are in the process and working with some of the landowners about some of the mitigation activities and the compensation for some of the actions that they have had to undertake because of seepage concerns.

Mr. COSTA. No, I understand that, but coming back to Washington and filing in Small Claims Court is not, in my view, a satisfactory resolution.

Mr. CONNOR. And that is one part of the group that we have not been working with that haven't engaged with us. We have others who have engaged with us. We have a mitigation program. We are doing the environmental analysis.

Mr. COSTA. What steps are you taking to make sure that they won't happen again this year?

Mr. CONNOR. Well, we have installed something to the order of 100 monitoring wells in the system to understand better seepage. We do, as soon as we get our environmental compliance activities done, which we are scheduled to do this year, we will have a mitigation program. We will be able to compensate and take proactive measures to address the seepage issues, and we are kind of in the middle of that right now.

But you are correct, we have ongoing issues associated with the release of interim flows, and we need to take care of that.

Mr. McCLINTOCK. Thank you very much.

Mr. COSTA. My time has expired but I would like to revisit it if we get a second round.

Mr. McCLINTOCK. We will definitely do a second round.

Mr. COSTA. Thank you.

Mr. McCLINTOCK. Mr. Tipton.

Mr. TIPTON. Thank you, Mr. Chairman, and Commissioner Connor, coming out of one of the headwater states, Colorado, we are obviously very concerned in terms of our ability to be able to store water, and I think for our lower basin state friends that is also very important when we are looking at potential calls on the river.

Outside of the Animus-La Plata Project, can you share with us any plans that the Bureau of Reclamation may have in terms of increasing water storage in the State of Colorado?

Mr. CONNOR. In the State of Colorado, off the top of my head I don't know that we have any water storage projects per se in the State of Colorado right now that we are doing assessments on.

I have to say that with respect to the overall issue raised by the Chairman and raised by Congressman Costa about assessments we do have an active Basin Studies Program going on to assess supply and demand imbalances. We do have on the Colorado River Basin itself, we have a lot of stakeholders, driven by the seven basin

states themselves in which Colorado is participating, but a lot of other stakeholders.

In addressing supply and imbalances, storage options are part of that process and there are some stakeholders that are interested in looking at new storage opportunities, so whether or not we come out in the report on the basin studies is going to come out in four areas. It is going to define the problem, then it is going to start looking at ways to address the problem. Whether or not there are going to be specific storage opportunities that are part of those basin studies assessment, I am not quite sure right now, but we can check for you and get an answer on the record.

Mr. TIPTON. I would appreciate that and I do have to express—you know, I am a little concerned, as I think many are, that defining the problem, that is easy, we can save a lot of money. We don't have enough water stored. And when we have these opportunities where we have increased snow pack coming through we need to be able to grasp those opportunities, particularly for the upper basin states, where we are the headwaters. Once the water is gone we have no other opportunity to be able to grow our economies, to be able to keep our agricultural moving.

When I heard your comment here that there is not a comprehensive plan in place right now to deal with the West, you know, it certainly raises the question what have we been looking at for a number of years. We have seen population transfers going out to the western U.S., and we are going to have to be able to have more water to be able to deal with that.

One issue that I am a little curious on because it has come up through some of our meetings going back to our district is the Endangered Species Act, and I am curious, I visited with some BLM Forest Service people and they said that if we have fish in fish hatcheries, as the Chairman mentioned in his opening statement, when those are released those are not included in the count. Can you explain the common sense of that to me when the idea is to be able to save the species and have them in the river in periods of time?

Mr. CONNOR. I do not know the answer to the question about how under the Endangered Species Act you account for hatchery raised fish versus native fish, quite frankly. I do know though that part of what—you take the Colorado River Recovery Implementation Program, part of what we do is to fund hatchery activities to supplement those native stocks, to try and get them to rear and propagate in the natural setting, et cetera, and that is all part of the recovery process.

So, I don't know the specific answer to your question, which I assume is more for the Fish and Wildlife Service or NOAA fisheries and how they operate the program. I do know that hatchery and propagation is one of the key recovery type actions that we take under our recovery programs.

Mr. TIPTON. You know, during the last Congress Secretary Salazar testified, and I hope that we can be in concurrence with a lot of what Bureau of Reclamation needs to be dealing with in terms of water storage to be able to help our communities, to be able to help job creation, to be able to maintain jobs that we currently have, particularly in the agricultural communities. But Secretary

Salazar testified before this committee he had the discretion to waive the Endangered Species Act when it came to unemployment caused by the Delta Smelt regulation, but indicated by doing so it would be “admitting failure” to quote him.

This year some of the snow pack has been estimated to be at 180 percent of normal in the Sierras, but some irrigators are only going to be able to get about 50 percent of their water allocation, and that means that at least 1.4 million acre-feet of additional project water is just going into the ocean. Do you view that as a failure by the Administration in terms of standing up for the American people and jobs?

Mr. CONNOR. I think there are a lot of factors at play and the Endangered Species Act is an oversimplification of the factors that are at play that address water issues. As I mentioned before, we operate under state water permits, and those permits and the conditions such in the values of each state and those state laws result in us not—in this particular case in California—not pumping water during the May time period, which impacts the water supply. As I indicated before, people can look at a 62 percent or a 50 percent allocation as being a water shortage, but this is something that has been going on for the last 20 years, quite frankly. So, there are a lot of complicating factors, so I would not sit here and admit failure. I would just submit our goal is to continue to improve water supply reliability to promote certainty and sustainability, and that strikes a proper balance.

Mr. MCCLINTOCK. Thank you. Mr. Luján.

Mr. LUJÁN. Mr. Chairman, thank you, and before I begin, in addition to Commissioner Connor and Assistant Director Werkheiser, I also want to acknowledge another great person that is with us today, Deanna Archuleta, who is the Deputy Assistant Secretary of Water and Science of the Department of the Interior who has been very helpful in helping us navigate our ability to be able to look after New Mexico as well.

Mr. Chairman, I am glad to hear the conversation pertaining to the attention to jobs, and what it means to the importance of looking at this infrastructure, the work that the Bureau of Reclamation does to make sure that communities will be able to sustain agricultural projects. That way we can put more farmers to work, more ranchers to work, make sure that as we are going to have a conversation in the Subcommittee on Indian and Alaska Native Affairs, to make sure that we are empowering tribal communities as well, to look to see how they can produce more food for us, whether it is more beef or lamb, and I am really happy to hear that there may be some agreement to the importance of these projects.

Commissioner, in December the President signed into law four tribal water rights settlements that ended years of active litigation, where dollars were being wasted on litigation as opposed to going into those projects that we talk about to make sure they are actually producing more food or that they are putting more people to work, and so quickly, Commissioner, if you could just answer, why is it so important for the Federal Government to negotiate and support water right settlements with our tribes, and what does it mean for the Reclamation’s overall mission?

Mr. CONNOR. I would reiterate the terrific points that you have made, Congressman Luján. It is about, and I know in your opening statement that Reclamation is a part of our goals to help economies grow. We want to sustain jobs, also we want to protect those agricultural interests. We want to protect the recreational interests that exist with healthy rivers, and we also want to look for new opportunities to promote economic development.

So, with respect to your question on Indian water right settlements, it is certainly for non-Indian water users in the communities, both the Acequias in the Rio Pojoaque Basin now have certainty, they know what their water supply is going to be, and they are not under any threat of Indian water rights claims. It is economic development for the tribes. We are going to do infrastructure investments with those tribal economies. They will benefit from that. Then they will benefit from the long-term certainty of having a foundational need for economic development, which is water, along with energy, so those tribes will benefit in the long term from that. So we are fulfilling commitments made long ago to those tribal communities. We are helping them grow. We are helping them reach that self-determination and self-governance that is a Federal policy in place, and we are doing so in a manner that benefits their neighbors, too.

Mr. LUJÁN. Commissioner, I appreciate that. Mr. Chairman, as we talked about the importance of making sure that our friends in California are also going to be able to get the necessary support to their farmers, and I am most familiar with this with the conversations I have had with Mr. Costa. There are many areas in the country, especially in the West, that we look to to provide some support. Southern Colorado with the rich area of agriculture, I know a lot of hay comes to New Mexico via route of that corridor there, and we are very dependent on these important partnerships.

And hearing from Mr. Garamendi about the importance of making sure we strike that balance, to make sure you are putting people to work and supporting infrastructure that is going to support jobs all over America, especially in the West where we are seeing a lot of growth, we can obviously see the importance of these projects.

In New Mexico and throughout the country Native American water settlements approved by Congress have settled years of water disputes as I discussed earlier. Can you tell me the importance and rationale of the New Native American Waters Rights Settlement Account and the need for concurrent budget request to be able to support those projects that you just described, Commissioner?

Mr. CONNOR. Well, these settlements represent a very large investment by the Federal Government to achieve the benefits that I just talked about, and through the Claims Resolution Act that the President signed into law last December a very high level of mandatory funding is made available as part of that piece of legislation.

That is part of the equation, but we also are going to need to look for appropriated dollars to supplement that so that we can make sure we take care of the implementation activities that are required to fully and finally resolve those claim so that the New

Indian Rights Settlement Account will be the mechanism for transparency.

We used to have this in project-by project line items within our water resources account. This brings it out, this identifies the ongoing investments that will complement mandatory funding as well as the appropriated dollar will put it all out there with the specific settlements we are implementing. This is a large part of our program now, so it was time to just highlight what we are investing in Indian water rights settlements.

Mr. LUJAN. I appreciate that, Commissioner, and Mr. Chairman, time is running out here. I know that there is another important project that I—

Mr. MCCLINTOCK. Time is out now. I have to cut you off there. I am sorry.

Mr. LUJAN. Thank you, Mr. Chairman.

Mr. MCCLINTOCK. Mr. Gosar is next.

Dr. GOSAR. Along those lines, I would like to address to Mr. Connor. With regard to those water settlements, we have to look at the Navajo generating station. Located in northern Arizona, it serves the energy supply for the delivery of the Central Arizona Project water, and the largest ownership percentage belongs to the U.S. Bureau of Reclamation, 24.3 percent. It also serves a major source of electrical energy for power consumers in Arizona, California and Nevada.

NGS is unique in that it is located on the Navajo Nation lands, and various leases and grants require for the station, coal supply, railroad, and transmission systems will expire within the next 10 years. There are a number of environmental regulations under development in the process of implementation that would require significant capital investment by the station owners.

The most significant issues are with the NGS owners today is the Clean Air Act, Regional Hazing Act, or the BART termination. The question of what will constitute BART for NGS and the timing of the installation of the corresponding equipment could pose a real threat to continued operations of that station. Should the EPA determine the selective catalytic reduction, SCR, in the BAG house for NGS, and that these equipment must be installed within the five-year compliance, deadline specifically in the BART process. The NGS owners will be faced with a decision to invest over a billion dollars at the time when the renewal of the leases and the grants remain uncertain.

It is possible that the owners will not be willing to make such a large investment with such uncertainty concerning the future of this station. Even if the owners approve the investment, the cost of these controls will have a significant impact on the water delivery costs for the customers of CAP.

Reclamation has the responsibility for the extension of the water service contract for the Navajo generating station while the BIA is the lead on the additional land transmission agreements. Coal lease extensions are also underway in a separate process involving the Office of Surface Mining and the BIA. Given the relation of these agreements, the operator has encouraged a unified and coordinated process for negotiating extensions in order to avoid duplicative requirements and streamline decisionmaking. It is currently

unclear how the Department of the Interior will proceed with the extensions of the water, land, and transmission agreement.

My then question is, where is the Department of the Interior in the process of determining how to proceed with contract extensions for Navajo generating station, and how is the Bureau of Reclamation involved in this decision?

Mr. CONNOR. That is a very good question and a very complicated question, and you identified all the different competing values at stake, and this is a very tough issue for us. But with respect to the issue of where we are with the decisionmaking process, the stakeholders have asked for a coordinated process, and that is what we are trying to give them. They asked for a coordinated one, EIS to address all these issues, and we are not going to do that route, but we are going to coordinate our actions so that we can come up with a comprehensive solution. That is what we are shooting for.

So, we are working under departmental guidance, Reclamation obviously is taking a lead role given our interest in the generating station itself as well as the water supply contract that is looking for renewal. So, we are working with the other project owners and trying to work our way through maybe some type of proposal that will address the issues in the BART process, which is led by EPA, and if we get some kind of timing with respect to that, that might be workable, and we are just in the middle of discussions right now. And there has been some proposals and people are looking at those proposals. But I think that is kind of fundamental until we start working back on the timelines for the extension of water service contracts, right-of-way agreements, of which we are not completely—we, the Department, are not. The Navajo Nation has a very strong interest that we have to work with through on what they want to give for right of ways and the co-lease agreements itself.

So, it is a step-by-step process that we are trying to look at all in one view, and the best I could tell you right now is that we are fully engaged. We are coordinating as a department in our approach on NGS and we are working with the stakeholders.

Dr. GOSAR. With that being said, completing these agreements is critical for the continued operations at NGS, and it seems that a consolidated Department of the Interior process to extend the various pieces needed for continuing operations would be the most efficient path forward. Will you commit to work with us to ensure that these extensions move forward in a unified and timely fashion?

Mr. CONNOR. That is our goal and I commit to work with you through that process, absolutely.

Dr. GOSAR. Thank you.

Mr. MCCLINTOCK. Mr. Garamendi.

Mr. GARAMENDI. Thank you very much, and thank you for your responses to the many questions that have been raised.

Does the Bureau of Reclamation have any authority to do a general survey of water and power throughout the West?

Mr. CONNOR. Not throughout the West, but I don't want to leave the impression that we are not addressing the needs issue. In fact, we have through our Basin Studies Program a very active approach, but we do that with stakeholders. They have to cost share.

They have to be interested in working with us. We are not out there on our own accord trying to dictate potential solutions or to define the problems for people. We work with stakeholders and the people basin by basin, and that is the goal of the Basin Studies Program.

Mr. GARAMENDI. You have very specific responsibility in specific areas of the West on specific river basins, but not generally throughout the West, is that correct?

Mr. CONNOR. That is correct.

Mr. GARAMENDI. Good.

Mr. CONNOR. I mean, water management and allocation is primarily a state responsibility.

Mr. GARAMENDI. With regard to Title XVI, which is the reclamation issue, which I call real reclamation, in California there is, perhaps, up to a million acre-feet of water currently available in Southern California for reclaiming, recycling the water, arguably the fifth biggest river on the West Coast or the Western Hemisphere are the sanitation plants in Southern California.

We take water some 500 miles, pump it 5,000 feet in the air, clean it, use it once, clean it to a higher standard from the day it arrives and dump it in the ocean. Duh, doesn't make much sense. So your reclamation program, it seems to me, that is, the recycling program, is of extraordinary importance.

The cost is significant here and we need to understand the cost factors. By the way, the Auburn Dam does not yield 2.5 million acre-feet of water. It yields about 200,000 acre-feet of water. There may be storage capacity at that but not yield, which is water down the river for use. Quite a different thing. And I understand the cost is somewhere in the range of \$46,000 an acre-foot; probably beyond their effort of even a municipal to pay for.

With regard to the allocation issue, you hit this one. I think we need to be really careful in understanding the allocation issue in California. There are six, I believe six different allocations made each year. Jim, Mr. Costa correctly pointed out the allocations on the Kern almost always been close to 100 percent except in a severe drought. The exchange contractors are almost always at 100 percent. It is in fact one unit that is—I don't think has ever gotten to 100 percent because their contract doesn't call for 100 percent, and that is the San Luis unit. They are the short straw. They are the straw that gets what is left over in any given year, and we need to be very careful as we discuss these issues of allocation, and your effort to come in earlier on allocations is very important to everybody, environment as well as the agricultural area, and you are doing a good job with that and we appreciate that.

One more thing, and this is where my question goes. We currently have passed legislation out of this House that would stop the Bureau of Reclamation from activities on the San Joaquin, and I think Mr. Costa is going to go back at this and I would urge you to pay careful attention to his desire for coordination among the Federal and state agencies, and the local agencies. I think he is right on point with that.

However, it doesn't make any sense to stop the Bureau of Reclamation on the San Joaquin settlement, it doesn't make any sense to stop the Fish and Wildlife Service and NMFS on the biological

opinions in the Delta. What would be the impact of doing that should that CR actually become, CR-1 actually become law?

Mr. CONNOR. Well, a two-part question there and I will try and be brief. With respect to restricting the Bureau of Reclamation's ability to comply with the reasonable and prudent alternatives that are in the biological opinions on CVP operations, that would result, if we cannot implement the reasonable and prudent alternatives, then we lose our incidental take protection under the Endangered Species Act, and we have ongoing incidental take, and we will have no choice but to cease our operations because we can't be in violation of the Endangered Species Act.

Mr. GARAMENDI. Cease meaning shut the pumps down?

Mr. CONNOR. That is correct. We cannot operation the project in violation of the Endangered Species Act.

With respect to the question on the San Joaquin River restoration program, limiting the ability to implement the settlement at some point in time makes the settlement noneffective and you have the uncertainty and you have the ongoing conflict that resulted in the settlement in the first place.

Once again a Federal court judge has held that the Bureau of Reclamation is in violation of state law, not the Federal law, state law. There is a provision in the California Waters Code that we have been held to be in violation of. This settlement resolves that issue by providing for the flows needed to be maintained below Friant Dam. And what we have done instead of just having a judge order the release of storage is to have a very thoughtful approach on what releases would be needed to be made, how we would address the fishery restoration issues, how we would try and engage how to have the river hold the flows, and make improvements along various reaches of the river. So we try, as I understand it, those who negotiated the settlement, to take a thoughtful approach with the limited impacts to resolve this very contentious issue.

Mr. MCCLINTOCK. Thank you. Ms. Noem.

Ms. NOEM. Thank you, Mr. Chairman.

Mr. Connor, I have a couple of questions for you, and I think that specifically you talked quite a bit about certainty and sustainability, and then it was very encouraging to me to also hear you talk about fulfilling commitments because I have a curiosity about how you prioritize the dollars that come through the Bureau of Reclamation; talking about climate change and river restoration and those things tend to be a priority. I am wondering where people factor into that in getting critical water needs met within specific projects that have been out there.

I know that there are many projects in the past that have been authorized but haven't been completed. And I know that when you prioritize within those projects that you are sending dollars to you look at if they touch Native American tribes, you look at how near they are to completion, but in many of these projects the local communities have invested dollars, the state has invested dollars, and these people are waiting for high-quality water, or hundreds of thousands of people for these dollars to come in and finish these projects.

So, I am curious, when you have the amount of dollars that come into the Bureau of Reclamation how you prioritize those based on

the Endangered Species Act, based on river restoration, based on everything else, and how you factor that and prioritize that according to people actually getting their drinking water needs met.

Mr. CONNOR. Well, I would say that everything we do is about people, quite frankly. First of all, when we prioritize our budget we look at what do we need to operate, maintain and take care of the infrastructure and the ongoing obligations that we have to our water contractors. Quite frankly, we can talk about the ESA in the abstract or we can talk about river restoration, but to me those are fundamental parts of our mission because if we do not take care of and comply with the Endangered Species Act, if we are not addressing the effects of our operations on the environment, then under the laws that we operate, whether they are Federal or state, we will not be able to deliver water and generate power which benefits people, or sustain the economies built up from the recreational standpoint from living rivers that are health river, too.

So, that certainly to me is part and parcel of our overall set of responsibilities that are critical to address the needs of people. Drinking water is—you are absolutely correct. It is fundamental and we have a very strong need there. We have certainly prioritized the work we are doing on Indian water rights settlements. Congress has directed us to implement a number of these settlements by a certain date out there, so in our limited budget resources we are trying to do the best we can to manage to make sure we can meet those commitments.

Our rural water projects, of which are very important to your state, and I certainly appreciate that, quite frankly, we are down this year in this budget in rural water project funding. We have prioritized them because of the cost of completion, or where it is in the ability to complete that project as well as fundamentally our operating and maintenance costs for those rural water projects are the priority.

I can say that we were very happy to be able to invest \$232 million of our Recovery Act dollars in the rural water programs, and that helped us great to get with some of the larger pieces of infrastructure water treatment plants, which are very costly, so that we can take whatever resources we have and try to continue to just lay pipeline and get more communities, but I acknowledge that that program is down this year. We are happy to have made the investment, but we need to look at ways to make that investment in the future. I am sorry.

Ms. NOEM. So when you are specifically looking at your dollars that you have available, do you have a formula that you follow as far as how you make your request known and how you specifically designate your dollars?

Mr. CONNOR. Not a specific formula. As I mentioned, I think operation, maintenance, rehabilitation, those kind of fundamental items are looked at first. Then we look at all the other obligations we have to be able to maintain those facilities, et cetera, and operate those facilities such as the laws that I mentioned, Endangered Species Act, et cetera, and we are kind of looking at a balanced set of approaches to deal with the many challenges that we have. You know, we have got 6 billion for basis. We think it is very imperative to look at supply and demand imbalances. Climate change is

one factor in that, so we try and have an aggressive program to better understand. We have science and technology related to invasive species that are impacting our facilities. As I mentioned, we have the Indian Water Rights Settlements Program, which we view as obligations under our budget.

Ms. NOEM. So one final question before my time runs out.

Mr. CONNOR. Certainly.

Ms. NOEM. So how do you decide which project to fund over another without using a formula?

Mr. CONNOR. Well, in each type of—so take rural water projects, we do have criteria that we use just as we have criteria that we use with respect to our—

Ms. NOEM. Is population served one of those criteria?

Mr. CONNOR. It is not at this point in time. Population served is one thing that I am looking at right now.

Ms. NOEM. All right, thank you very much.

Mr. MCCLINTOCK. Mr. Markey, your timing is impeccable. You are next.

Mr. MARKEY. Thank you. I appreciate it. Thank you so much.

Whether it is terrorist threats on our nation's critical infrastructure or threats to our water supply from climate change, Reclamation's budget helps to arm our water managers with the tools that they need to face water challenges head on. Last week the FBI arrested a Texas resident charged with the attempted use of a weapon of mass destruction. His targets included President Bush's house, nuclear power plants and dams and reservoirs in California and Colorado. I understand that in 2010 the Bureau of Reclamation requested \$28.8 million for site security, of that \$21.3 million for guards and \$7.5 million for physical improvements and upgrades.

How often does Reclamation inspect all of these dams to ensure that the operators are doing what they said they would do in their security plans?

Mr. CONNOR. Thank you, Congressman Markey.

We have an ongoing inspection program that really at this point in time is carrying out a set of actions that were undertaken after 9/11 to fortify our facilities. We have five facilities in particular that are of national significance, so we have looked at those and prioritized those with respect to fortifications. We have invested over the last 10 years or so approximately \$100 million in fortification, plus the ongoing annual security costs, operating and maintenance costs that we need on a year-to-year basis.

So, we have the plans in place. We are still in the process of implementing that plan, which is requiring ongoing inspections, assessments that are carried out not only by Bureau of Reclamation but by the Department folks also who we work with very closely with. So, it is an ongoing effort and we are still fortifying.

Mr. MARKEY. So, do the plans need any further revising given the fact that these facilities were first constructed when terrorist threats were very different than they are today? Are you revising them?

Mr. CONNOR. Yes, we are as we go forward.

Mr. MARKEY. What is the deadline that you have set for the completion of the revisions?

Mr. CONNOR. The fortifications process, I don't know that answer off the top of my head so I will have to provide it for the written record.

Mr. MARKEY. Is it six months or two years? Can you give us some estimate?

Mr. CONNOR. Well, it is an ongoing process, quite frankly, where we automate, where we do surveillance, where we undertaken other activities, but over time as we get more fortifications in place—

Mr. MARKEY. No, I appreciate that. It is just that this person who was arrested last week who was threatening to kill President Bush but also to attack dams and reservoirs in California and Colorado, I hope will intensify your—

Mr. CONNOR. Oh, absolutely.

Mr. MARKEY.—and telescope the timeframe that it will take for you to present a final plan to protect against a catastrophic event occurring because we know al-Qaeda is out there. We know that they put these kinds of targets at the very top of their terrorist list, and I just think that it is important for you to complete that in a timely fashion.

Mr. CONNOR. Absolutely.

Mr. MARKEY. Reclamation was established as an agency over a century ago. Commissioner, our water supply outlook changed since that time in the United States. What does that mean for Reclamation's project facilities? How is Reclamation helping communities in the West mitigate against the effects of climate change on water supplies?

Mr. CONNOR. We have several programs in place but it starts with our science and technology program. We are still in the process of gaining a better understanding of the impacts of climate change. Now, we know already from the factual data that exists over the last decade or so about less precipitation in the form of snow pack, which is storage, and more in rain, so we are going to have more frequent flooding events, and we are having earlier runoff, and we are having more demand because of higher temperatures, so we know certain aspects.

We are still trying to better understand over the long term how precipitation patterns might change. There is certainly a good agreement amongst a lot of global circulation models, atmospheric models that suggest that we are likely to have a 10 percent reduction in in-flows in the Colorado River system over time through a very oversubscribed system.

Mr. MARKEY. What timeframe are you using for that reduction in water?

Mr. CONNOR. Ten percent is based on the analyses we have done, consolidating all of the available analysis in the 2060 timeframe.

Mr. MARKEY. Thank you.

Mr. MCCLINTOCK. We are out of time. We next need to go to Mr. Gohmert.

Mr. GOHMERT. Thank you, Mr. Chairman, and appreciate the witnesses being here, but heck, I will just follow up on that.

I know in my district we have had more snow that we have had in my lifetime and people aren't used to paying a lot of energy cost in the wintertime because it is just normally not this cold as it has

been, and even the gentleman from East Anglia that is supposed to be such an expert has basically admitted there are indications that things may be cooling.

So, are you supporting efforts to try to get more carbon dioxide into the atmosphere so that we can try to bring down the amount of snow that we are getting in areas that don't want it, don't need it because it sounds like we need to reverse course here so that we can help the people that don't need this snow and ice, and have been really adversely affected?

I have some people that cannot pay their propane bills out in rural areas, so anything you can do to help produce more CO₂ would be helpful to the folks in my district.

But you know, with regard to the way this country seems to so often shoot itself in the foot, I was part of a task force back five or six years ago that went around the country having hearings regarding environmental protection and endangered species, and we heard from one energy producer up in Washington State that they had been required to take actions that cost seven or eight million dollars to save 20 salmon, and, of course, rate payers pay for that kind of thing. And you know, we have spent, as a colleague has alluded to, really decades trying to save endangered species, and we have cost taxpayers billions and billions of dollars, and then out of pocket from private landowners who haven't been able to use their own land, and yet we have preserved less than 1 percent of the endangered species, so obviously it is not working. We are wasting money and we are not doing it efficiently.

And then we hear the Delta Smelt has cost people jobs, which hurts families and hurts children. It hurts schools, it hurts everybody, and the fact that God has been gracious and granted some extra rain this year is nice, but at some point we are expected to be good stewards with what we are getting the rest of the time.

So, I just wondered if maybe in your work as Reclamation if you had some suggestions of things that we could do to improve the horrible, horrible efficiency of the endangered species where we could actually preserve some species and not condemn private landowners to never using their land effectively again. Any thoughts? Any suggestions?

Mr. CONNOR. I agree with you that we need to look to continually with more efficiency and better science on how we implement the Endangered Species Act. We are certainly trying to do this. I can give you examples specifically with respect to California water with one of the biological opinions. You mentioned the Delta Smelt. One question has been where are the smelt and how are they impacted by the pumps, and there are certain assumptions made in the biological opinion because the smelt follow turbidity, so one of the things that we have done, I think people, there are different views, but they are willing to accept the need for some measures if they are good scientifically based and justified and they believe it is good science.

So, we have gone out, we have certainly tried to increase our ability to monitor turbidity, to find out how it influences where the smelt are. Those actions—

Mr. GOHMERT. My time is running out. I was looking for specific concrete suggestions, and so I would ask if you could have people

on your staff maybe brainstorm things we could do to improve the efficiency of that.

But I know you deal with lawsuits, virtually every project has a lawsuit against it, and I noted that our staff had found that Trout Unlimited in 2010 was given \$500,000 in a grant for ecosystem restoration purposes, and they also happen to have a lawsuit pending against the Federal Government over Colorado River operations. Is this a common thing where we give grants to people that are suing us apparently since money is fungible can fund the operation of suing our Federal Government? Brief answer.

Mr. CONNOR. Yes, I think it is common because we give a lot of grants to irrigation districts who also sue us, as well as environmental groups who sue us in other contexts. I think the reality of a grant is we want to make it for a specific action. We want to be able to verify that it is used for that action, which is not litigation-based. The reality of the situation is everybody sues us.

Mr. GOHMERT. OK, it sounds like we keep feeding the dogs trained to bite us so we need to do something.

Mr. MCCLINTOCK. I have to cut you off.

Mr. GOHMERT. Thank you.

Mr. MCCLINTOCK. Mr. Labrador.

Mr. LABRADOR. I don't believe I have any questions.

Mr. MCCLINTOCK. All right. Well, then we will begin a second round of questions, and I would like to begin, Mr. Connor, by revisiting the Klamath Dam issue.

I think you left a very false impression that the agreement has overwhelming if not unanimous support from the people of the region. The fact is the off project irrigators have rejected the deal. A nearby county referendum overwhelmingly rejected the idea of dam destruction in the last election cycle. Several local elections were decided decisively against candidates who were supporting that project, and that agreement, and that was the main issue in those campaigns. Siskiyou County Board of Supervisors formally have taken a position of opposition in a letter to Congress. So, to suggest that somehow this is overwhelmingly supported by the locals is exactly precisely the opposite of the truth.

I would also note that you forgot to mention in discussing increased cost of electricity to consumers that those increases are entirely because of government fait and not because of an increased cost of actually generating the power, and in fact the cost of replacement power for those dams is going to be many, many times the actual cost of generating the power.

I will agree with you that the settlement is agreed to by those who would make a great deal of money off of the agreement, starting with PacifiCorp, which would be getting a half a billion dollars of taxpayer funds to tear down their own dam.

With that, I would like to ask a question regarding the Iron Gate Fishery. Part of the agreement, which shut down that fishery, that hatchery that is producing 5 million salmon smolt a year, 17,000 of which return to the river as fully grown adults to spawn. How does that action improve salmon populations of the Klamath?

Mr. CONNOR. I don't believe that is accurate that the Iron Gate Fish Hatchery would be destroyed. My understanding is—

Mr. MCCLINTOCK. It would be closed. You are shutting off the water to it.

Mr. CONNOR. My understanding that under the agreement PacifiCorp is currently evaluating how to operate the facility without the dam and has agreed to fund it something on the order of eight years plus after dam removal should dam removal ever take place. So, it is anticipated that that hatchery will remain in operation and PacifiCorp has agreed to fund it.

Mr. MCCLINTOCK. The fact of the matter is the population count supporting destruction of those dams specifically and deliberately ignore the fish bred at the hatchery, including those that return as fully grown adults.

Mr. CONNOR. Well, I think the best analysis of what will happen with dam removal is to allow the secretarial determination process to proceed and the open and transparent science that is being done right now to inform all communities of the cost, benefits, et cetera, associated with the dam removal and the two criteria for secretarial determination are public interest, taking account of economic factors, and from a biological perspective what will be the impact on the fishery, will the dam removal indeed lead to fishery restoration.

Mr. MCCLINTOCK. Let us go on to the Glen Canyon Dam that has lost a third of its capacity, a thousand megawatts of lost electricity due to environmental flows. How many megawatts bureau-wide have been lost over the past decade to environmental flows?

Mr. CONNOR. I don't have a figure for lost hydropower generation due to various laws, et cetera.

Mr. MCCLINTOCK. That is correct, a thousand megawatts is roughly enough for a million households, and that is just the loss of the Glen Canyon Dam due to the environmental flows. Don't you think that the Bureau of Reclamation charged with responsibility for superintending our hydroelectric facilities should have an accurate idea of how much generating capacity has been squandered with these environmental flows?

Mr. CONNOR. Well, we do work on those issues. We try and maximize what we can do with the issues we have to address, and we are doing that at Glen Canyon, but we also are not standing pat. We are bringing online more hydropower resources all the time. We have through our efficiency and operating program increased hydropower generating capacity to the tune of almost 2,000 megawatts over the last 25 years—

Mr. MCCLINTOCK. I would just in the final five second express the thought that you really need to get a handle on what our needs are, what our resources are, or what we are losing and what we are holding onto, and with that I will recognize Mrs. Napolitano.

Mrs. NAPOLITANO. Thank you, Mr. Chairman.

Just a little bit of clarification. The issue of low-flush toilets and its impact in L.A. County, and the young lady is not here but just for the record I would like to indicate that the county has 12 million people, and in 30 years of water recycling the conservation, the storage, the education of the people, we are still using the same amount of water of three decades ago with an increase of 3.5 million people in that 30 years. So you understand how critical all of it is, it is part and parcel of being able to address how do

we conserve, how do we train, how do we store water, so a lot of credit goes to the Bureau of Reclamation for working with my entities.

Second, Mr. Chair, I would like to for the record ask for a written request for the update on the Quagga mussel research, which is very impactful in many of the entities that have to fight and pay millions of dollars to clean off their intake valves, et cetera, and all that good stuff.

Also, for the record, what is the next step in water recycling follow-through with not only Congress but the Bureau where basins, water basins are doing power plays to take that water and eventually increase the cost to the consumer, and that is something else I would want to cover with you?

But the last one I would want to, Mr. Werkheiser, is the aquifer have not been mentioned. That is the great concern because of the ability to be able to store runoff, be able to reclaim water, recycled water, and clean it to the extent that it will meld with good water if the aquifer is in good shape.

So, I would like to have some input on how we can be able to identify, especially in areas that have high drought, or areas that have high runoff from the snow pack melt so they can capture some of it for later use.

Mr. WERKHEISER. I think there are a number of what we would call aquifer and storage recovery projects where we take water during plentiful times, inject it into the aquifer for then reuse or use later on during times of low water available or drought. Those studies are pretty site-specific. Aquifers are different in their properties to be able to take in water and store it, so I think the last thing we want to do is to put in water that we can no longer retrieve. So, we have to be careful about how we identify those, so it is a pretty site-specific analysis that we do, but we do have a number of those studies going on. Many of them in California as a matter of fact.

Mrs. NAPOLITANO. Well, there is a big issue in my area because some of the cities are beginning to fight over whose water it is, and somewhere we need to be able to help the state determine how does a state allow for the pumping and not overdrafting of the areas, and so those are real critical.

But I have recently talked to somebody that said that they thought their aquifer was not capable of being able to take in any recharge, and we need to be able to help them understand whether that is true or not, and how they can help themselves and help them build that infrastructure to be able to do that recapture.

Commissioner, the last question I have for you is, what is Reclamation focusing on or engaged in where it is not only your mission but creates jobs, and I know you touched lightly upon it? Can you expound a little more?

Mr. CONNOR. Well, I think job creation activity is on many levels, but first I would just like to reiterate that I view one of our primary goals as sustaining jobs. We have a lot of economies that are dependent upon the water and power resources, and so we are very cognizant of that, and will continue to try and make our contractual commitments to take care of those economies whether independent or dependent upon power.

In the midst of that we have very active construction programs in place all throughout the West, whether it is taking care of our existing infrastructure or developing new water projects, particularly those in Indian country.

Mrs. NAPOLITANO. Are you requiring them—I am sorry to interrupt, my time is running out—is providing to this body how many jobs are being created by not only the projects but ancillary to those?

Mr. CONNOR. We don't have specific figures. We have had general figures about the impact of Recovery Act, the \$950 million investment that we have made in the expected creation of approximately 10,300 jobs based on the criteria that have been identified for us. That is really related to infrastructure development. There are different figures for coastal restoration, something to the tune of a million dollars invested will yield 30 jobs. That was part of the Department of the Interior's report in 2009. Recreation would be a million dollars invested yields 22 jobs.

Mrs. NAPOLITANO. But it would be nice to have a—

Mr. MCCLINTOCK. Time is up on this.

Mrs. NAPOLITANO. Thank you.

Mr. MCCLINTOCK. Mr. Denham.

Mr. DENHAM. Thank you. First of all, you had mentioned when there is a take, the Delta pumps shut down. How do you define a take?

Mr. CONNOR. There is ongoing take all the time. We have a fish salvage facility associated with our Jones Pumping Plant, and—

Mr. DENHAM. When you make the determination to shut a pump down, the take is one fish, 100 fish, how many fish per hour or per minute? How do you define that?

Mr. CONNOR. Well, there is an incremental scale based on month to month right now, and we have not had to shut down the pumps for awhile even though we are taking take because we have not exceeded our take limits that are part of the biological opinion, so we are permitted to take species under our current operating plan.

Mr. DENHAM. What is the take limit?

Mr. CONNOR. The take limit is different for different months of the year, and I don't know those figures off the top of my head.

Mr. DENHAM. OK. And are there sensors at the pump? How do you know when fish are—

Mr. CONNOR. Well, actually we collect. There is a collection facility at the pumping station so we can actually track how many fish we are actually taking, and the biological opinion has a formula for projecting how many fish that we are not being able to capture that are being taken, and that is the basis upon which if we exceed a certain figure in a certain month, then we are in violation of our permit, and we have to shut the pumps down.

Mr. DENHAM. So you have a random sample before or after the pumps?

Mr. CONNOR. It is with the pumps, you know. It is associated with the pumping facility itself. We collect fish in the water that is coming to the pumps.

Mr. DENHAM. OK. I find that process very interesting and subjective, but I will save those questions for a later time.

Specifically on the budget, you have the Mid-Pacific Region has proposed a new creation of a new Bay-Delta office. I mean, we are cutting right now, and we are going to set up a new office, a new bureaucracy. What is this office going to do? How many employees is it going to have, the job duties?

Mr. CONNOR. Well, we have a lot of issues associated with the Bay-Delta, not the least of which is our very active Bay-Delta Conservation Plan Program, which is intended to look at the long-term solutions, the California water issues, so we are just consolidating. We are restructuring. We are not adding new people for this Bay-Delta area office that we created. We think it is a more efficient way for us to address the myriad of issues that we have in California, and from that standpoint the exact staffing of the office, which is coming from other places already, I don't know off the top of my head. I am happy to get that for you for the record.

Mr. DENHAM. So you can show reductions out of other offices?

Mr. CONNOR. Yes, we are moving people from other area offices associated with the CVP in our operations and consolidating them to run Bay-Delta, to really focus on that, so it is an organizational thing. It is not an enlargement of the Bureau's staffing.

Mr. DENHAM. Thank you. Just one final question. Earlier I had asked about the 130 to 200 percent of snowfall that we are seeing right now. Obviously, we have a huge snow pack right now. Mother Nature heats up a little too quick, are you planning for the loss of water? What type of planning do you go through, and how do you work with FEMA on that?

Mr. CONNOR. Well, we are constantly monitoring snow pack and temperature conditions and working with our partners to assess when we might be in a flood control situation, so really what has happened early this year it is a constant process. We have had to evacuate water out of the flood storage areas in Shasta Dam, and Folsom constantly over this winter, so it is a constant management process that we undertake right now, and we have been up to the limits of the channel in the American River earlier this year. We were very concerned about the possibility of flooding outside the flood bank, but fortunately we didn't do that. There was no property damages, et cetera.

So, we are not anticipating right now that we are going to have a disaster situation. We will certainly be in contact with FEMA, but it is a constant monitoring of the situation to make sure that the reservoirs are leaving enough space in them to deal with any in-flows and temperature increase.

Mr. DENHAM. Thank you.

Mr. MCCLINTOCK. Mr. Costa.

Mr. COSTA. Thank you very much, Mr. Chairman. More on California. I want to commend the Bureau, we have asked you a lot of questions here, and we have concerns, but on the consolidation of the Bay-Delta conservation plan effort. As you know, all of the water users got together last fall and they were really questioning the Bureau's commitment to this process. Frankly, without your full participation, and I have told Secretary Salazar this, and I will reiterate it tomorrow, this isn't going to work. Our folks are wondering whether or not they ought to continue to participate, in part based upon your commitment and all the Federal agencies to make

this work. So the consolidation, notwithstanding budget cuts, I think is an important statement to that effect.

I want to get back to the question, you know, I represent, as you know, not only the west side of the San Luis unit, the exchange contractors, we have a lot of them here today who have been listening very carefully to every word you have uttered as it relates to the river settlement agreement, the Friant water users as well as the state water project down in Kern County.

We have discussed in the settlement agreement so far this morning about a number of elements, but major channel improvements are going to have to be built in the next few years costing tens of millions of dollars. I would like to know what the status of this project is.

I mentioned earlier in my questioning the feasibility study that still has not been produced, the program environmental impact statement that has not been published. We have a host of projects—let me just list them here because we know we have the local environmental funding that is a part of the match.

We know we have the state funding, which is \$100 million, and I don't know where this Federal funding is going to be coming from. To complete the program environmental impact statement, we have the Mendota Pool Bypass, that is \$74 million. We have Reach 2-B5 improvements, that is \$130 million. We have Reach 4-B6 improvements. That is \$40 million. We have Aroya Canal fish screens, that is \$25 million. We have mud in South Slough Barriers, that is \$5 million, and you know, Fish and Wildlife is off on the other side. I don't know, you guys aren't talking to each other. Unless you are going to breed these fish to crawl on sand, you are not going to make this thing work by 2013 or 2014 unless these channel improvements are made, unless we are working with folks.

Mr. Connor, or as I would say, Mike, this is a problem.

Mr. CONNOR. Yes. Well, to answer your question, I think initially the assessments and the analysis and the EIS that is going to launch all of this with respect to the channel improvements, I think, and I am going to correct this on the record if I get it wrong, is due in the latter part of this year, and I know we are working expeditiously on that.

Money is an issue to implement—

Mr. COSTA. No, I understand but we have to be mindful of these milestones, these dates, if we are going to make this thing work, and maybe we need to reset, as we say with our negotiations with Russia, reset this so the right hand knows what the left hand is doing, and it is being coordinated in a way that is going to work.

And in this era of budget cuts, it seems to me that we ought to look at innovative ways to allow the local agencies to maybe do some of your work for you. Frankly, they have an incentive to do it. Second, they can do it in many ways I think that are more cost effective with the same funding that we already know has been allocated for this.

The settlement project has two co-equal goals: river restoration and water management. My colleague congressmen talked about the efforts on water management and returning that to the east side. It also provides that no third party will be impacted as a result of the settlement agreement. I sat in those negotiations for a

period of months with Senator Feinstein. The third party impacts are a big deal, and your fiscal year budget really doesn't address, in my view, the minimizing or the avoidance of losses in terms of the recirculation plan. I think that needs to be back there front and center. Everybody ought to be getting healthy together again.

And while I asked you the questions on what concrete steps Reclamation is taking to deal with third party impacts where they have risen, I am not satisfied with the response to far, Mr. Connor, and where the budget funds are going to be used to mitigate these impacts, I don't think is here.

Mr. CONNOR. Well, with respect to recirculated water, that has been an ongoing activity, and we think we did pretty good.

Mr. COSTA. I will give you credit. You did you make some progress.

Let me close because my time is running out here and I will have to submit the rest of the questions. In the letter I sent you in September of last year, I noted these concerns and others and the financing of the San Joaquin River Restoration Program. I requested a five-year plan that identifies how Reclamation intends to proceed with the implementation in a manner that is feasible with current available funding. I have also requested this report include the avoidance of impacts.

Mr. Connor, to this date we have not seen this plan. We have yet to see many of the portions of the settlement, including the interim flows, and we have to do better.

Mr. CONNOR. We will get you a response very soon.

Mr. MCCLINTOCK. Mr. Gosar.

Dr. GOSAR. Mr. Werkheiser, you just made mention a minute ago to Ms. Napolitano that you have to be very, very careful with subsurface water, and with that assertion I want to remind you about Arizona being very differential in the way they look at surface and subsurface water in those allocations, including water banking.

For the past 10 years the USGS Northern Arizona Regional Groundwater Flow Model has in development in an attempt to provide basic hydrology frameworks for most of Northern Arizona's groundwater basins. As you know, rural communities are almost all totally dependent on groundwater, Prescott, Prescott Valley, and other municipalities are virtually and vitally interested in that USGS report.

Late last year the hydrology staff of the City of Prescott, Prescott Valley, and the officials at Arizona Department of Water Resources discovered the model was closed to public release, and there were concerns about the model's scope, particularly regarding the Big Chino's subbasin and its relation with the Upper Verdi River.

The concerned parties expressed concern to USGS Arizona Water Science Center officials about the model scope, potential for misuse, and advised the USGS on steps that could have been taken to rectify concerns about the report's content. Despite these concerns, the officials defended USGS's technical review process and have continued to take steps toward—ultimately it to former Congressman John Shadegg and I to officially intervene with these concerns before we got some rectification and cooperation with officials.

I am pleased at the current engagement that I believe ultimately the USGS officials and the local technical experts will resolve dif-

ferences, and ensure that this model reflects the unique geology of the area, historical measurements as documented by local technicians and accurate assessments of water falls we will continue to monitor.

However, my concern is, why did it take congressional intervention to get USGS to involve local entities, such as the Arizona Department of Water Resources, the Yavapai County Water Advisory Committee, and the City of Prescott's hydrology staff in the collection of background data, the initial drafting of this model, and the peer-to-peer review process?

Groundwater issues are very important to the State of Arizona and inaccurate models would have potentially grave consequences to the specific statutory water rights of Prescott. More importantly, the Big Chino subbasin and more generally undermine Arizona water law, which could be caused by such a report if it represents anything less than scientifically, fully vetted data of the highest quality, or ineffectively communicates that science to the public.

Given USGS commitment to impartiality and scientific integrity, wouldn't officials want to engage with local experts throughout the drafting process on work such as the ground flow model?

Mr. WERKHEISER. Yes, I am familiar with the issue, and understand the concerns, and I guess what I would say is that we did look at the technical concerns, and we do have a provision in our peer review and scientific integrity policy to allow agencies who might be affected by the results to have a courtesy copy of the report, and that is what happened in this case.

I will say that throughout the life of the project there was a stakeholder group that advised the technical development of the model. Now, I don't think Prescott was always involved in that group, and that was probably an error on our part.

So, you know, our take-away message is to make sure we have everybody at the table as we develop these models, and an invitation isn't sufficient. Everybody is busy. We need to make sure they engage in a very appropriate way.

Dr. GOSAR. I want to remind you of the implications of those types of data and that information.

Mr. Connor, I have a brief minute. In regard to the Chairman's comments about Glen Canyon Dam's release, there is information being released through the media that some of those releases actually benefit the humpback chub when they were detrimental to the humpback chub, and actually increased the numbers of trout, which eat the humpback chub.

Are you re-evaluating that process anytime soon?

Mr. CONNOR. The study's process is ever evolving, and the impact of the native trout population and the chub is something that we are actually looking at through an environmental assessment process right now as we try and deal with some of the issues in non-native management and trying to improve that process as it impacts also our operation of the facility.

So, the answer to your question is yes, it is constantly new information that we are looking at in assessing based on the information we have how to do it better in operations.

Dr. GOSAR. Thank you.

Mr. MCCLINTOCK. Mr. Luján.

Mr. LUJÁN. Thank you, Mr. Chairman. Again, I appreciate the conversation pertaining to access to clean drinking water, and making sure that projects all over the country that provide this basic necessity for human health, for the health of our agricultural community, both farmers and ranchers, again is something that we need to be cognitive of.

Last week I believe it was or the week before when we voted on that budget bill that was proposed by the Majority, there was an aspect that reduced projects and programmatic funding to 350 on-going projects to the Army Corps of Engineers and the Bureau of Reclamation.

So as we sit today and so critical of the Bureau for making sure that investments are going to benefit people, people will have access to clean drinking water, and that we are going to make sure that waste water and sewage does not get into that drinking water so that way we can provide it to farmers and producers, and for people to drink is something that we need to be aware of.

Furthermore, there was a Section 3001, three, zero, zero, one, that reduced 163 million additional dollars to go to projects. The American Society of Engineers have given our locks, dams, and levees D and D minus grades. Reducing the level of investment in these areas is, as they have stated, a penny wise and a pound foolish. This is something we have to be aware of.

In addition, the Republican bill slashes the Clean Water and Drinking Water State Resolving Fund by 56 percent, reducing the number of waste water and drinking water projects in communities across the country would be able to finance by approximately 750.

So, again, I appreciate that we need to make sure that things are in balance, but that we have priorities, and that we find that balance, especially as we talk about access to clean drinking water.

Commissioner Connor, one of the projects that I wanted to visit with you about is a project that I know many of my colleagues, not only current but former, have had a chance to visit this beautiful area of New Mexico, up in the northern area there, which borders the Colorado border. It is the Hickory Apache Reservation, and there is a whole water system project that was authorized in 2002. Today only 20 percent of that authorization has come forward and the Hickory Apache Nation's cost share was \$15 million, which they met prior to the authorization of the project.

Since then the Nation as put together funding that they have had to take from other areas to try to maintain the investment that has been made. Because of the exposure to the system, you can imagine how it would be deteriorated. I don't have to go back to remind us what the grade of the American Society of Engineers has given us with some of our water infrastructure, a D and a D minus so when we make investments in infrastructure we have to make sure that we are going to put it in place timely.

So, I would say, Commissioner, I appreciate the current funding levels that have been placed in the 2011 and 2012 budget the Nation is looking to get consideration for the reimbursement of that project, but if we stay at the current levels it is going to take over a century to finish this project, and I think that we can very much see the exposure to the structure and the concerns that it has.

Furthermore, in 2010, the Bureau of Reclamation initiated funding opportunities in connection with the rural water program. What is the status of that funding and those that were allocated to this project, and why was funding allocated for potential development of new rural water projects when existing authorized projects, such as the Eastern New Mexico Rural Water Project, have yet to receive any funding? Also, what are your thoughts pertaining to that in Eastern New Mexico, which is where we have many farmers, producers, and dairy? Cannon Air Force Base is also in this area, as well as the Cities of Clovis and Portales, and they impact the community of Tucumcari as well.

Mr. CONNOR. Thank you for the question. I am very familiar personally with the Hickory project and the Eastern New Mexico rural water system project, and I understand the needs and the benefits of those projects.

With respect to your question about the funding opportunity announcement, we had \$2.6 million under our rural water program that we made available to help communities across the West do an assessment of their needs and identify projects that they had done some preliminary work on to satisfy those long-term needs. A lot of these communities out West are dealing with unsustainable groundwater use or groundwater that has been impacted from an quality perspective and no longer meet certain standards, and so they are looking for other alternatives.

So, we think it is part of what we can do to a modest amount to help those communities identify their alternatives even as I would concede we have a rural water program and authorized projects that we have taken a reduction of in this budget, and it is part of the difficult decisions that we are having to make with projects that have high value for those communities and are certainly needed, but we have limited resources and have to live within those resources, particularly as we do our part for this overall deficit situation that we have as a Federal Government.

So, we were happy to make the large investment in rural water projects. Unfortunately, the two projects you mention, as a result of the Recovery Act, the \$232 million I talked about before, unfortunately we weren't able to obligate anything for the two New Mexico projects. It is still an important program to the Bureau of Reclamation and we have not cut it completely, and we are going to look for opportunities to try and innovate some of those projects and move forward with them.

Mr. LUJÁN. Thank you.

Mr. MCCLINTOCK. Mr. Labrador?

Mr. LABRADOR. Mr. Chairman, I am just going to yield my time to Mr. Denham, the good gentleman from California.

Mr. DENHAM. Just one final follow-up question, Mr. Connor. This new office that we are going to have are there also going to be Fish and Wildlife Service hired for that office?

Mr. CONNOR. Not brought in directly to the office. We are trying to do a much better job of coordinate amongst the three Federal agencies, Reclamation, Fish and Wildlife Service and NOAA Fisheries, so we are working and we have provided some funds under the Central Valley Improvement Act that we have for Fish and Wildlife Service and NOAA Fishery folks so that we can be better

coordinated in the implementation and the science behind the biological opinions.

Hiring new Fish and Wildlife Service into that new office, I don't believe so, but I will check that for the record.

Mr. DENHAM. Thank you. So again, just restructuring, taking employees from other office buildings. I am sure you saw this morning that the President re-committed once again to reducing the amount of public buildings that we own. We currently have over 1.2 million buildings, of which 55,000 are underutilized and another 14,000 are vacant. I would assume that if you are moving employees into a new GSA office, that you are also going to be adding properties or buildings to that underutilized vacant list and help to facilitate selling those properties off?

Mr. CONNOR. We are looking very strenuously at any opportunity to reduce administrative costs within the Bureau of Reclamation. Our goal, and we recognize we are living in tight budget times, our goal is to not take those out of programs. Where we can look for efficiencies, reduce cost, we are going to do that.

I will give you some quick figures. Bureau of Reclamation employees, 7,239 in 1993; 5,632 in 2000; 5,750 in 2004; today our estimate is 5,116. The Bureau of Reclamation is doing more with less these days.

Mr. DENHAM. Thank you. Specifically, I assume that you are not going to go out and build new office space. You are going to work with GSA to utilize one of their underutilized properties. Which properties are you going to then be either renting out, leasing out, or vacating so that we can sell them?

Mr. CONNOR. We will get you an answer on that point.

Mr. DENHAM. Thank you.

Mr. MCCLINTOCK. Mr. Garamendi.

Mr. GARAMENDI. Mr. Connor, in your testimony awhile back you mentioned the release of water from Folsom Reservoir, flood flow release. My question goes to both you and Mr. Werkheiser about the way in which we manage our reservoirs. As I understand it, our reservoirs are managed for both flood control purposes as well as for water storage, but based upon a historic average rainfall, snowfall, snow pack and the like, based upon the last 40-50 years, in other words, controlled by the Corps of Engineers book.

Mr. CONNOR. Right.

Mr. GARAMENDI. On the American River we established a program about four years ago in which we would try to institute a real time monitoring system, one that would measure the precipitation on a real time basis, the snow, the content, the water content of the snow, the temperature of the snow using satellite as well as ground sensing devices for the purposes of trying to maximize both the flood storage and the water storage simultaneously; that is, using real time.

I would like to have an update on the status of that project. It seemed to have been on in which all of the water interest on the American River were involved; certainly the two of you, or your two agencies as well as the Corps of Engineers, state, and Sacramento Municipal Utility Districts.

I don't need the answer right now but I would like an update on that, and if it were to work, it could then be used in other basins,

again to maximize both flood potential and water storage. If you could deliver that to me in the near future, I would appreciate it.

Mr. Chairman, I yield back my time.

Mr. MCCLINTOCK. And with that I would like to thank our witnesses for their testimony today. Members of the Subcommittee might have additional questions for the witnesses. We would ask that they respond to these in writing. The hearing record will be open for 10 days to receive these responses. If there is no further business, without objection, the Subcommittee stands adjourned.

[Whereupon, at 12:18 p.m., the Subcommittee was adjourned.]

