

# ENERGY AND WATER DEVELOPMENT APPROPRIATIONS FOR 2016

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## HEARINGS BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED FOURTEENTH CONGRESS FIRST SESSION

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### PART 5

	Page
<b>U.S. Corps of Engineers .....</b>	<b>1</b>
<b>Bureau of Reclamation .....</b>	<b>97</b>



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## **ENERGY AND WATER DEVELOPMENT APPROPRIATIONS FOR 2016**

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WEDNESDAY, FEBRUARY 11, 2015.

### **UNITED STATES ARMY CORPS OF ENGINEERS**

#### **WITNESSES**

**JO-ELLEN DARCY, ASSISTANT SECRETARY, ARMY FOR CIVIL WORKS,  
UNITED STATES ARMY CORPS OF ENGINEERS  
GENERAL THOMAS P. BOSTICK, COMMANDING GENERAL AND CHIEF  
OF ENGINEERS, UNITED STATES ARMY CORPS OF ENGINEERS**

Mr. SIMPSON. The committee will come to order. Before we start this hearing, I wanted to just take a minute if I could before my opening statement to recognize we have some empty chairs with members not here yet but will come. We have a couple of new members on the Majority side and a couple of new members on the Minority side.

As I said, on our side, Congresswoman Herrera Beutler and Congressman Valadao are new to this committee. I suspect they will be here shortly. Marcy can introduce the new members on her side.

I did want to take just a second, if I could, to recognize that we have unfortunately one more empty chair than we had planned on, as everyone knows, last week with the passing of Mr. Nunnelee, who was the vice chairman of this committee for the last couple of years.

It was a great loss both to his state and really to the country, but particularly to this committee for the work that he did. He was always a gentleman and one of those southern gentlemen. When you think of the term "southern gentleman," he exemplified it.

I enjoyed working with him greatly. He made a true difference because he knew how to work with other people, people he sometimes disagreed with. He was always a gentleman. We are going to miss him greatly. It is one of those sad events that life works mysteriously sometimes.

We do thank God for the brief time we had him here and our opportunity to work with him and interact with him and for the great job he did while he was here.

Mr. Rogers, if you have any comments?

Mr. ROGERS. Thank you, Mr. Chairman. I was just thinking how qualified Alan Nunnelee was. He had great experience back in Mississippi as the head of their appropriations process and in general.

He came to us well equipped, both in his experience but more importantly in his demeanor. There was not a mean bone in his body. He was a perfect southern gentleman in the traditional thought about that type of person.

He was a rare individual that was driven to serve others, loyal to his family, loyal to his friends, loyal to his country. A true gentleman through and through.

On this subcommittee and the other subcommittees of Appropriations, he was a workhorse, ever willing to dig down and get the hard work done.

As a friend, no one could ask for a more loyal and decent man by your side. He is a rare individual that has left a large hole in our hearts, in this subcommittee's, our Appropriations Committee, and the Congress.

We will surely miss him. We want to especially express our deepest sympathies to his wife, Tori, and three children, Reed, Emily and Nathan. A true, true loss to all of us. Thank you.

Mr. SIMPSON. Ms. Kaptur.

Ms. KAPTUR. Thank you, Mr. Chairman. Thank you for allowing us time to express in the official record our deepest condolences on the passing of Alan Nunnelee, our beloved colleague, to his wife, to his children. Congressman Rogers has eloquently talked about them.

Personally, whether it is this group of members or other members who served with Congressman Nunnelee, when I would look down the table here, the arc of the table, his face would always be there. I knew we were officially in session. He had a way of sitting in his chair and reaching toward the table that really was unique to him. He was rather tall. I think that may have contributed to that.

There was just such an ease about him, and it was a real joy to serve with him. He was a very honorable man, someone who served his constituents well. I am in exactly the opposite end of the country that he came from, but he was such a gentleman. I think he had a very kind nature, very good humor, which contributed to the well functioning of this committee, and his sort of effervescent spirit kind of enlivened us all.

I am going to miss that very much. I hope that the angels lift his being very high and bring comfort to those who mourn his loss. We surely do that. He did inspire us to carry on, and I hope we will do that certainly during this session, and do something especially in his memory so that his living legacy will continue forward.

I thank you, Mr. Chairman, for allowing us a few moments to commemorate his life.

Mr. SIMPSON. Thank you. Thank you all for being here today. We begin this year's budget hearing with a look at the request for the Civil Works Program of the U.S. Army Corps of Engineers.

I would like to welcome our witnesses, Assistant Secretary of the Army for Civil Works, Jo-Ellen Darcy, the Commanding General, and Chief of Engineers, Lieutenant General Thomas Bostick. It is good to see you both again and I look forward to hearing your testimony. We also have Major General John Peabody here, and Mark.

Mr. MAZZANTI. Mazzanti.

Mr. SIMPSON. Over the past several years, this Administration has at times said all the right things about the economic benefits of navigation and economic and public safety benefits of flood and storm damage reduction investments.

Unfortunately, year after year, the budget falls far short of actually making progress in any of these areas. Congress, on the other hand, has recognized the importance of the Civil Works Program by providing the Corps with funding above the budget request, including significant increases for the past two years.

For fiscal year 2015, we added \$922 million above the budget request, and for fiscal year 2014, we had added \$641 million above the budget request.

Even though the President's fiscal year 2016 request for all energy and water programs is increased by \$1.8 billion over last year's budget, almost every major category in the Corps' budget is cut. Navigation funding is reduced by 16 percent.

Flood and storm damage reduction activities are down 20 percent. Harbor maintenance activities are cut by 17 percent. Construction funding for our inland waterway system is reduced by 17 percent, and that is after industries successfully lobbied to raise their own taxes to help pay for these capital improvements.

The overall construction account is slashed by 28 percent and funding for studies and other planning activities is decreased by 20 percent.

This is not the budget request of an Administration that understands the importance of investing in our Nation's water resources' infrastructure.

My concerns are not limited to only the budget request, the Administration has also been pushing several policy changes that could have a chilling effect on economic development across the Nation.

Their proposed rule to redefine waters of the United States is a prime example. This joint proposal by the Corps and the EPA would expand Federal jurisdiction under the Clean Water Act far beyond what the Supreme Court has said is legal. Using tenuous at best connections to navigable waters to force an onerous and expensive permitting process on our agricultural, industrial, transportation, and other business sectors, as well as individual property owners, will hurt not help economic progress.

I would note that I find it interesting that the budget request includes an additional \$5 million specifically to implement this rule-making.

This Administration has claimed that this rule would streamline the permitting process by providing clarity and certainty for applicants. If that is true, the Corps should need less money to process permits, not more.

Taken individually and in combination, these budgetary and policy proposals paint a troubling picture for the future of our water resources and our Nation's economy.

I look forward to further exploring these issues later in this hearing. Again, I would like to welcome our witnesses to the subcommittee.

Secretary Darcy, please ensure that questions for the record and any supporting information requested by the subcommittee are delivered in final form to us no later than four weeks from the time you receive them. Members who have additional questions for the record will have until the close of business Friday to provide them to the subcommittee's office.

With that, I will turn to Ms. Kaptur for her opening comments.

Ms. KAPTUR. Thank you, Mr. Chairman, and I thank the chairman of our full committee, Mr. Rogers, for joining us today, and the former chair of this subcommittee, Mr. Frelinghuysen.

Assistant Secretary Darcy, General Bostick, General Peabody, Mr. Mazzanti, we appreciate your appearance before us today. We are here to help you.

I, for one, look forward to this hearing on an issue of very keen interest to me, and that is the stewardship of our Nation's very precious freshwater resources.

Over the last few years, the western part of our country has endured and been ravaged by drought. It looks as though those trends are continuing. Meanwhile, the freshwater region that I represent, the most important in the entire world, has fallen victim to troubling mismanagement, and the water system of a major city in this country was shut off for three days. I have never experienced anything quite like that before.

The Corps of Engineers has an important role to play in building a water secure future for our country. We are all eager to hear about your progress in adapting innovative approaches to make your mission a reality.

As we grow our economy, the Corps also provides a great opportunity for job creation. Federal support of water resource projects creates construction jobs and indirect economic benefits that encourage local businesses and individuals to make critical investments in their own communities.

Unfortunately, this budget request continues the trend toward disinvestment. Last year, Congress overwhelmingly supported nearly a billion dollar increase for the Corps, as you well know. With the return of sequestered budget caps, I am worried about the negative effects to our infrastructure absent another congressional intervention, and I guess that is why we are all here.

Additionally, the passage last year of a new Water Resources Development Act has significant implications for the Corps. I am interested to learn more about plans to implement these provisions, including new funding mechanisms, invasive species control, and language relevant to our Great Lakes.

That bill was to also address the Corps' massive backlog, currently estimated at \$60 billion by some, and I understand that a full accounting of those projects is being developed, and I hope that you will share some of the emerging details with our committee today.

Finally, as a Great Lakes' legislator, I would ask you to address seriously widely held concerns about the invasion of the Asian Carp, Great Lakes' dredging needs, and a broader environmental awareness of the largest freshwater system on the face of the earth. That currently seems to be lacking in some of the presentations that we have seen, especially in light of the water crisis I reference in Toledo last August.

There is a need for innovative thinking. We know Great Lakes' ports are critical to the regional and national economies supporting our critical manufacturing base, among others, and we must keep these ports open for business.

However, this need not come at the expense of water security, the safety and quality of our drinking water, or the environmental integrity of that precious ecosystem.

We know we will be helped during this session of Congress by the addition of two very important members to our subcommittee, and I want to officially welcome them today, both from the State of California, a state that has its own share of current challenges, which I know they will enlighten us on.

Congressman Mike Honda, as well as Congresswoman Lucille Roybal-Allard. She has other subcommittees that she has to attend to as the new ranking on Homeland Security, and we very much appreciate her attendance here today, and our very able colleague, Mr. Honda, as well. Welcome.

Mr. SIMPSON. Thank you. It is now my honor to turn to the full committee chairman, the Honorable Harold Rogers.

Mr. ROGERS. Mr. Chairman, thank you for yielding the time. Secretary Darcy, Generals, Mark, welcome. We appreciate you being here.

This is the first hearing of this subcommittee. In fact, it is the first hearing of the entire committee, so you get the blue ribbon.

Mr. SIMPSON. We like hearings.

Mr. ROGERS. I am hopeful that this subcommittee can continue its track record of working collaboratively under regular order, to draft thoughtful and responsible bills to fund our Federal Government.

The Corps certainly has a diverse set of projects to manage, from lakes, to rivers, to dams, each with their own unique challenges. I continue to be impressed with the talented people at the Corps who engineer these projects that stand the test of time and weather and other problems.

These projects are critical to the national economy. I have always appreciated the collaborative nature of our partnership with the Corps in planning their work and working their plan.

With such significant potential for economic impact, it is important that we get things right in the budget and set the right priorities for these projects.

In my district in Kentucky, Southeast Kentucky, the Corps has protected communities from the threat of constant flooding, enabled the next generation with reliable hydropower, created numerous recreational opportunities on rivers, lakes, campgrounds for residents and visitors, in addition to managing one of the most complex and expensive water resources' infrastructure project in the history of Wolf Creek Dam on the Cumberland River.

The Corps has supported numerous communities in a smaller scale flood mitigation series of efforts. Recently, you have turned your attention to the town of Martin, Kentucky, again, which was subjected to years and years of almost perineal catastrophic floods, and has suffered tremendous loss of livelihood and property as a result.

We look forward to working with you more as you move critical town structures to higher and drier ground.

I appreciate your partnership with the towns as they struggle with survival. This is an existing problem with them. Without a

doubt, because of your efforts and expertise, these communities are much safer and more secure.

When I took office in January of 1981, I asked the Corps to take us on a helicopter the length of the Cumberland River, which is a mountainous part of my district, to look at the places where if you had the money, you could stop the perineal flooding of all those towns, and you did.

We joined you in the effort, and you constructed levees and/or cut throughs or other tunnels and the like to prevent flooding of those towns.

I can tell you and remind you, not a single one of those cities that you did that work on has flooded since then, some 30 plus years. You have saved lives and you have saved churches and homes and Bibles and keepsakes and whatever by the work that you do.

While the Corps is getting a lot right, there are some concerns with regard to the execution of your mission and its adherence to the direction of Congress. One primary issue is the Corps' commitment to its recreation mandate.

Lake Cumberland in my district is a perfect example. The Corps has been reticent to embrace opportunities for recreation on that lake, despite clear direction in the most recent bill passed by Congress, and I will be working with you and talking to you about that as we go along.

Even greater concern is the manner in which the Corps is choosing to execute its regulatory authority. The regulations promulgated and enforced through the Corps have a tremendous impact on jobs and the economy, and we are feeling this in my district.

We have been witnessing the Administration's relentless attack on coal jobs for years. Each new regulation imposed on this industry is making life more difficult and uncertain for the people in my region.

So far, we have had 9,000 coal miners laid off in the last few years, a lot of it due to reaching beyond the authority given to the executive agencies. Those who depend on the coal industry for work and for reliable energy are seeing jobs disappear, their energy bills continuing to rise, and with each new instance of bureaucratic overreach in this war on coal, we see businesses close, and more Americans struggling to find work.

I talk to families every day. A man in his 30s or 40s, able bodied, has a family with small kids, laid off, trying to find a job at McDonald's or what have you, most of the time, unsuccessfully. So, they have no choice but to leave and take their family with them. There goes more of the economy as more and more businesses close.

It is time for bureaucrats to lay aside their personal animus toward the coal industry and allow for a true all of the above energy strategy for the country.

In the same vein, I continue to be dismayed at the efforts of the Corps and EPA to write new rules defining "waters of the United States." If that goes into effect, these new rules will place stringent standards on thousands of miles of streams across the country, some of which only flow seasonally after heavy rains. They just are not navigable streams, unless you are writing cartoons for Disney.



Every hollow and valley in Kentucky has a stream running through it. Some of them are dry streams. Over regulating each of them will only further distress economic activity in the region. That means road construction, coal mining, any other activity that takes place near these newly defined navigable waters will only take place with the say so of a Federal bureaucrat after a hearing in Washington, D.C.

These new regulations will strangle economic development in Appalachia and any other part of the country, and place yet another layer of red tape on job creating projects and businesses across the country.

Just the threat of this regulation is causing many people who are thinking of developing a shopping center or a farmer wanting to build a culvert to get to a field or what have you, or a standing body of water that has no connection to any stream anywhere. It is already causing a lot of activity never to take place.

That is not the way for the Federal Government to operate. That is not the way we were invented. That is not the way we were designed. It is not the way we are motivated. Yet, we see this absolute profound reach to control everything from Washington, and we are here to tell you it ain't going to work.

These issues are vital for the people of my district, for other coal producing regions across the country, and for our national economy. I hope that you will touch on these and other important issues in your remarks so we can better understand how the Corps plans to address these challenges to better our country.

Thank you, Mr. Chairman.

Mr. SIMPSON. Thank you. Ms. Darcy.

Ms. DARCY. Thank you, Chairman Simpson and distinguished members of the subcommittee. Thank you for the opportunity today to present the President's budget for the Civil Works Program of the Army Corps of Engineers for 2016.

This year's Civil Works budget reflects the Administration's priorities through targeted investments in the Nation's water resources infrastructure, including dams and levees, navigation, and the restoration of ecosystems.

It supports the Civil Works Program that relies on a foundation of strong relationships between the Corps and our local communities, which allows us to work together to meet their water resources' needs.

The budget also helps us in our efforts to promote the resilience of our communities to respond to the impacts of climate change. We are investing in research and planning, in vulnerability assessments and pilot projects, and evaluations of the value and performance of non-structural and natural based features to help us maintain, as well as improve, our efforts on sustainability.

For example, we are reducing the Corps' carbon footprint by increasing renewable electricity consumption, by reducing greenhouse gas emissions, and by reducing our non-tactical vehicle petroleum consumption.

We are also advancing our sustainability efforts by using innovative financing techniques, such as the energy savings performance contracts. We are making important investments to promote the sustainable management of the lands around our Corps facilities by

providing funds to update the plans that govern how we manage our facilities and to help combat invasive species.

The budget also focuses on maintaining the water resources infrastructure that the Corps owns and manages and in finding innovative ways to rehabilitate it, hand it over to others, or retire it.

Here are some funding highlights. The 2016 Civil Works' budget provides \$4.7 billion in gross discretionary appropriations for the Army Civil Works Program, focusing on investments that will help provide economic and environmental returns or address a significant risk to public safety.

The budget focuses funding on our three major mission areas, allocating 41 percent to commercial navigation, 27 percent to flood and storm damage reduction projects, and nine percent to aquatic ecosystem restoration.

Other effective and sound investments include allocating five percent of the budget to hydropower, two percent to the clean up of the sites contaminated during the early years of the Nation's Nuclear Weapons Program, and four percent to regulatory activities.

Overall, the budget funds 57 construction projects, nine of them to completion. It also funds 54 feasibility studies, 13 of those to completion. The budget also includes four new construction starts, two of which the Corps will complete in one year.

The budget funds inland waterways' capital investments at \$974 million, of which \$53 million will be derived from the Inland Waterway Trust Fund.

The budget provides \$915 million from the Harbor Maintenance Trust Fund to maintain coastal channels and related work, matching the highest amount ever budgeted.

Forty-four million is provided for a comprehensive levee safety initiative that will help ensure that all Federal levees are safe and in line with the Federal Emergency Management Administration's standards. This initiative will provide non-Federal entities with access to levee data that will help inform them of the safety issues.

The budget supports a Corps program that has a diverse set of tools and approaches to working with local communities, whether this means funding projects with our cost sharing partners or providing technical assistance and planning assistance expertise to help communities make better informed decisions.

This year, the President's Civil Works budget provides \$31 million for the Corps to provide local communities with technical and planning assistance to help them develop and implement non-structural approaches to improve their resilience to the impacts of climate change.

The Corps continues to contribute to the Nation's environmental restoration and the budget provides funding to restore several large ecosystems that have been a focus of interagency collaboration, including the California Bay Delta, Chesapeake Bay, the Everglades, the Great Lakes, and the Gulf Coast.

Other funded Corps efforts include the Columbia River, some portions of Puget Sound, and priority work in the Upper Mississippi and Missouri Rivers.

Finally, the budget provides \$6 million for the Corps' Veterans Curation Program, which was started in 2009 with support from

the American Recovery and Reinvestment Act. This program offers veterans the opportunity to learn tangible work skills and gain experience by rehabilitating and preserving federally owned or administered archaeological collections found at Corps of Engineers' projects.

I thank you all for your attention, and I look forward to working with the committee as we move this budget forward.

Mr. SIMPSON. Thank you. General Bostick.

General BOSTICK. Good morning, Mr. Chairman and members of the subcommittee. I am honored to testify before your committee today along with the Honorable Jo-Ellen Darcy on the President's fiscal year 2016 Civil Works Program of the United States Army Corps of Engineers.

This is my third time to testify before this subcommittee on the Civil Works' budget. Thank you for your support in the past, and I look forward to continuing our work together in the future.

I have been in command for nearly three years, and I would like to provide a brief update on our four campaign goals. First, support to national security. The Corps supports the national security of the United States.

We continue to work in more than 110 countries using our Civil Works, military missions, water resources, and research and development expertise to support our Nation's combatant commanders.

Army Corps employees, both civilian and military, from all across the Nation have volunteered, and continue to volunteer, to provide critical support to our military and the humanitarian missions abroad.

Second, transform Civil Works. Civil Works transformation focuses on four key areas. First, modernizing the project planning process. Second, enhancing the budget development process through a systems oriented approach that includes collaboration.

Third, developing an infrastructure strategy to evaluate the current inventory of projects to help us identify priorities and develop better solutions to water resources challenges. Fourth, improving methods of delivery, to produce and deliver sound decisions, products and services that will improve the ways in which we manage and use our water resources.

Since the inception of Civil Works transformation in 2008, 42 Chief's reports have been completed. During this seven-year period, 13 Chief's reports were completed in the first four years, and 29 Chief's reports were completed in the last three—clear evidence that we are learning and becoming a much more efficient organization in our processes.

In our third campaign plan goal, we must continue to be proactive and develop improved strategies to reduce disaster risk, as well as respond to natural disasters when they do occur. I continue to be very impressed at the work of the Army Corps of Engineers in this particular area.

One great example of this proficiency is the Hurricane Sandy recovery work. The flood control and coastal emergency program is over 95 percent complete. The Sandy operations and maintenance program is over 70 percent complete and on schedule to be 100 percent by the end of 2016. And I am pleased to highlight that the

Army submitted the North Atlantic Coast Comprehensive Study on schedule to Congress and the American public on 28 January 2015.

Our fourth campaign goal is to prepare for tomorrow—this is all about our people—to ensure that we have a pipeline of talented military and civilian teammates as well as a strong workforce development program and a talent management program. Equally important is helping our nation's wounded warriors and soldiers as they transition out of active duty to find fulfilling careers. Last year we set a goal of assisting 125 soldiers transitioning out of the military; all of these were wounded warriors. We exceeded that goal by more than 50 percent. Nearly 200 wounded warriors found permanent positions within the Corps or other organizations across America.

We are also focused on research and development efforts that will help solve some of the nation's toughest challenges. Chairman, I ask you and other members to refer to my complete written testimony submitted to the Committee for the fiscal year 2016 budget specifics. I thank you for this opportunity and look forward to your questions.

Mr. SIMPSON. Thank you, both of you, for your testimony and thank you for being here today. I want you to know first of all that I think everyone on this Committee and everyone that I am aware of both respects and admires the work that you do for this country. The Army Corps does some vital work to the infrastructure, particularly the water infrastructure, of this country that is important. But as you could tell from the opening comments of Chairman Rogers and myself and Ranking Member Kaptur, we have some questions and sometimes we have some disagreements about various provisions. Let me get into a couple of those.

First of all, let me ask about the fiscal year 2015 work plan, the unallocated funds. In fiscal year 2015, the work plan sent up last week did not include allocation of all additional funding provided in the 2015 act. In fact, 42 percent of the additional investigations funding and 23 percent of the additional construction funding was left unallocated. We hear from local sponsors and other stakeholders all the time that these investments are necessary, so why were any funds, but particularly such large amounts, left unallocated and what is the plan and schedule for allocating the remaining funding?

Ms. DARCY. Thank you, Congressman Simpson. I think it is \$141 million that was unallocated in the 2015 work plan. We are in the process of continuing to find places to allocate those funds. We are trying to do it as quickly as possible. We did submit the work plan with the budget so that folks could compare the two, and the work plan was actually due up here next Monday. We are continuing to look at those unobligated balances and hope that we will be able to get those allocated as soon as possible. We have some outstanding projects that came in late, so we are looking at those and hopefully we can get that done as soon as possible.

Mr. SIMPSON. Does that mean that if, say, this year we were to appropriate money beyond what the President's budget requested that you are so caught up that you would not have any way to spend those funds or it would be difficult to find a place to spend those funds?

Ms. DARCY. I would say no, sir, but with the additional unallocated funds that we did not plan for in the President's budget, it is a challenge, but it is a welcome challenge. If there is a work plan next year, then we will have two years under our belt for having provided this.

Mr. SIMPSON. Well, I appreciate that and it has to be fairly obvious to the administration that Congress places a different priority on the work of the Army Corps than what he does in his budget requests when we have added—I guess if you add over the last couple of years, \$1.5 billion more than was requested. In fact, last year when they cut \$900 million out of the Army Corps from the year before, we added it back plus about \$25 million and that still was not enough on the floor. There were amendments adopted that added more into the Corps to address some of these problems. I guess every member of Congress has an Army Corps project in their district that is important to them and important to the country, frankly. So I understand how this works, having laws to work both at the state level and here at the federal level, is that oftentimes it is easy for an administration, Republican or Democrat, when they are preparing a budget, to cut back on those areas that they know Congress is going to fill in; that it is important to members of Congress so that they have more money to actually spend on priorities that they would like to spend money on and then we end up having to backfill it, the allocation. When you look at the budget this year, the President has requested \$1.8 billion above last year's and yet the Army Corps is down. Now, chances are our allocation is going to be substantially less than what the President's budget requested. So we have that \$1.8 billion, plus we have \$750 million we are going to have to fill back in with the Army Corps of Engineers. It is going to be substantially hard to do this and keep backfilling the budget that the President requests.

The budget request cuts funding for harbor maintenance activities by \$192 million. While you said it was the largest budget request that an administration had made, it is not the largest appropriation that has been made. We have substantially increased appropriations above what the President requested in that arena. But it cuts harbor maintenance activities \$192 million for the current year. The request is \$385 million below the target set by last year's Water Resources Development Act or WRRDA.

Secretary Darcy, does the administration believe that our coastal and inland harbors are important to the American economy and, if so, why is that importance not reflected in the budget request? Do you anticipate the administration making any attempt to meet the Harbor Maintenance Trust Fund targets in WRRDA, the water bill, in the future?

Ms. DARCY. Congressman, harbors are very important to this Administration and as I said, the \$950 million in the Harbor Maintenance Trust Fund that the President is requesting this year is the highest that the Administration has ever requested. We do believe that we are hopefully on track and looking forward to complying with the provisions in WRRDA. But that said, there are competing requirements for us within the budget process not only within the Corps of Engineers but the President's budget overall.

Mr. SIMPSON. It must be unique to come up here and testify before Congress and have a Committee saying you are not spending enough money. Other agencies that come up here have kind of the opposite reaction from members of Congress, but this is an area that we are obviously going to look at very seriously. Actually at the level that the Army Corps has requested funding and that the administration requests the funding for the Army Corps, I do not think we could pass a bill on the floor at that level because there are too many members that have an interest in the important work that you do. But thank you for being here today. Ms. Kaptur.

Ms. KAPTUR. Thank you, Mr. Chairman, very much. Secretary Darcy, the January Jobs Report was the eleventh consecutive month of job growth above 200,000 in our country, the first time that that has happened since the mid-1990s. Yet even with this growth, the unemployment rate in the construction field has been hovering around 10 percent, according to the Bureau of Labor Statistics. The Council of Economic Advisers estimates that for every billion dollars of federal funding in transit investment in the highway funds, we create about 13,000 jobs for a year.

So I am going to ask you kind of a hard question and that is in terms of the Corps and the construction projects that you do, do you have an estimate of the job impact of Corps of Engineers' funding and how that ripples through our economy in terms of job creation?

Ms. DARCY. We have done some modeling on trying to make that calculation, similar to the number that you hear in the transportation industry, one that is relevant to water projects. What our modeling shows is that about 20,000 jobs are created for every billion dollars' worth of expenditure.

General BOSTICK. That is 10,000 full-time direct jobs and 20,000 when you look overall. So it is 20,000.

Ms. KAPTUR. The jobs connected to the primary jobs, you are saying, 10,000?

General BOSTICK. Direct jobs are about 10,000.

Ms. KAPTUR. For each billion?

General BOSTICK. For each billion, overall 20,000 when you consider the indirect jobs.

Ms. KAPTUR. Okay, those are very important numbers. Congress includes jobs as a criterion for the allocation of additional funds that have been provided to the Corps over the last several years. What else could the Corps or the Congress be doing to maximize the job impact of our energy- and water-related investments over which you have jurisdiction?

General BOSTICK. Ma'am, I would say there are a number of things that we do. Some of them are intermittent jobs for construction, for example, and each time we have a major construction program that may come with a lot of jobs. So if it is a long-term effort like Olmsted, then you are going to see full-time jobs for a longer period of time.

If you look along the Mississippi, for example, there are a lot of jobs that are dependent—and a lot of businesses that are dependent—on the efficient dredging of the Mississippi so that barge traffic can go up and down the Mississippi, and the businesses that rely on it can use it. And the greater that capacity, I think the

more population and more businesses would develop and benefit from it. There are some estimates that say around 800,000 people along the Mississippi River benefit from the work that we do and they depend, and their livelihood depends, on the efficient flow of the river.

Ms. KAPTUR. Thank you, General.

Secretary Darcy, we often hear that the Corps of Engineers' construction backlog is somewhere in the neighborhood of \$60 billion. For a program that the administration only requests slightly higher than \$1 billion and for which the Congress appropriates somewhere around \$2 billion, the \$60 billion figure seems daunting, if not somewhat surreal. Our staff's own work shows that if you just count the ongoing projects, there is something like \$31 billion remaining on the authorization level.

What are you doing as Corps to get a handle on the authorized projects that are still relevant and is there a way of you mapping by district or region, Congressional district or region, the funding levels associated with the projects yet to be completed?

Ms. DARCY. Congresswoman Kaptur, there was a provision put in WRRDA 2014 that passed last June that requires the Corps to look at just that, and in doing so requires us to identify \$18 billion worth of projects that we would think to be deauthorized.

As part of that deauthorization exercise to meet that requirement, we are looking at what exactly is out there and how big is that backlog. We are not sure if \$60 billion is the right number. It could be more than that. And in recognizing that, then we need to look at what projects are those that would qualify for or be recommended for deauthorization. Looking back through the entire portfolio probably takes overtime.

Ms. KAPTUR. Do you have any idea at what point you might be able to produce that report?

Ms. DARCY. It is required to be delivered in September of this year.

Ms. KAPTUR. Okay. Let me ask a question about dredging, following on the Chairman's question. Can you give us an idea of the backlog for authorized Corps projects, specifically for the Great Lakes? Will that be in the September report?

Ms. DARCY. For all projects or for just dredging, ma'am?

Ms. KAPTUR. For all projects, but then dredging as a subset of that.

Ms. DARCY. I think we can produce it for the dredging projects.

Ms. KAPTUR. For the dredging projects, okay. As you know, the open lake disposal issue is a very hot issue, certainly in the Lake Erie area. My question is, can you provide for the record for the Cleveland Harbor the difference in cost between open lake disposal and alternative disposal that would be for beneficial reuse or a confined alternative? Are you able to do that?

Ms. DARCY. Yes, we can.

Ms. KAPTUR. Do you have any idea at this point what that might be?

Ms. DARCY. I do not have the number off the top of my head. I do not know if you do, General?

General PEABODY. It is below \$5 million, ma'am. I cannot give you a precise figure. It is probably considerably below that, but we would have to follow up.

Ms. KAPTUR. All right. I thank you, General, for that clarification. Mr. Chairman, I am just going to ask for consent to put in the record a report that talks about the Harbor Maintenance Trust Fund and the fact that there is a rolling balance in that fund of—and it is going up—\$8.3 billion in 2014, \$8.9 billion in 2015. It is estimated in 2016 to be \$9.9 billion, and you look at commerce in a region such as I represent and we are questioning why we cannot get this done.

So I will be very, very interested in your recommendations for alternatives to deal with that dredge material, specifically in the harbors on Lake Erie, and I will have more questions in the follow-on period. Thank you, Mr. Chairman. Thank you, witnesses.

Mr. SIMPSON. Mr. Rogers.

Mr. ROGERS. This year's budget request reduces construction funding by almost a \$.5 billion from the fiscal year 2015 enacted level. That is 28 percent of the entire account. How many projects could use funding in fiscal year 2016, but are not included in that budget request?

Ms. DARCY. How many could use funding, sir?

Mr. SIMPSON. Could you pull the microphone a little bit closer? Yes, perfect.

Mr. ROGERS. How many projects could use funding in fiscal year 2016, but are not included in the budget request?

Ms. DARCY. I do not have that number, but maybe we can get it for you.

Mr. MAZZANTI. Mr. Chairman, there are 41 projects that were included in the work plan that are not in the 2016 budget.

Mr. ROGERS. And how many are included?

Mr. MAZZANTI. As far as construction projects?

Mr. ROGERS. Yes.

Mr. MAZZANTI. There are 57 total projects included in the 2016 budget. The challenge for us is there are a number of factors that affect the requirements of projects as far as which projects could use funding, including sponsor financing, necessary acquisition of rights of way, the availability of funding for priority. And so to come up with a specific number is very challenging for us to relay.

Mr. ROGERS. How many of these projects will be shut down or have progress slowed unnecessarily due to lack of continued funding?

Mr. MAZZANTI. Again, Mr. Chairman, it is very challenging for us to try and look at the reason for any slowdown or shutdown due to the level of construction funding. But for this particular budget, we are not aware of any projects that will be shut down.

Mr. ROGERS. Will any of these projects incur contractor demobilization costs or other costs associated with being halted?

Mr. MAZZANTI. I will have to follow up with you, sir. I am not aware of any.

Mr. ROGERS. We were told previously that deferred maintenance on existing federal projects had increased from \$884 million in 2003 to nearly \$3.0 billion in fiscal year 2012. That increase occurred even as the operation and maintenance budget was increas-



ing each year and after taking into account the \$4.6 billion provided in the Recovery Act in 2009. What is the updated estimate of deferred maintenance?

General BOSTICK. It is still about \$3 billion, but I would say we still have a lot of work to do to gain fidelity on those numbers. Our infrastructure strategy seeks to really get a handle on all of the projects that are out there, their current status, including the deferred maintenance.

I think the point you raise, Mr. Chairman, leads to a bigger point of the aging infrastructure in this country. Despite continued funding to try to support that aging infrastructure, much of it is beyond its economic design life of 50 years. I am sure you saw the American Society of Civil Engineers rating of the infrastructure at a D+. So we are in a constant battle to maintain and operate the infrastructure that we have.

General PEABODY. Mr. Chairman, related to the Chief's point about our infrastructure strategy, one of the reasons why using that current number may not adequately convey the reality is because we believe that we can be more efficient in the use of the funds that you appropriate to us.

We have a detailed study ongoing right now in six of our districts in the Upper Mississippi and the Ohio Valley to look at our flood risk management and navigation programs and get an initial assessment of some changes we might make in the way we operate and how we organize so that we can optimize the efficient execution of those funds.

So while I would say that the current estimate of \$3 billion is our best estimate to date, I am not confident that we could not better use the money. We have a lot more analysis to do to give ourselves and this committee a better understanding of the deferred maintenance impact.

Mr. ROGERS. What would be the impact on the maintenance backlog if we do the 2016 budget request that you have asked for? How would that impact the backlog?

General BOSTICK. It is difficult to say at this point. We are going to have a better handle on the assets that we have, and the backlog amount later this year when we finish this comprehensive report. But at this point, trying to correlate the budget to increase deferred maintenance is difficult.

The other part of what you have helped us with is the ability to divest of \$18 billion worth of projects. Part of our strategy is also to look at what we have, and what is it that continues to serve the authorized purpose. What is it that has a purpose that no longer meets the authorized purpose, and we have to divest of, and what has to be repurposed in a way that we continue—or the states continue—to maintain it. That would help with the deferred maintenance as well.

Mr. ROGERS. Last year the Corps and EPA proposed that joint rule defining waters of the U.S. that I talked about earlier, which governs federal jurisdiction under the Clean Water Act. Where are we on that proposal?

Ms. DARCY. We are currently reviewing all of the public comments. We had a public comment period that ended in November. We received almost a million comments on the proposed rule, and

we are going through those comments to determine the impact on how we will do a final rule. We are hoping to propose a final rule as soon as we can. We are looking at trying to have it done by the summer.

Mr. ROGERS. By when?

Ms. DARCY. By the summer.

Mr. ROGERS. 800,000 to a million responses?

Ms. DARCY. Yes, sir.

Mr. ROGERS. And what was the general consensus of the response?

Ms. DARCY. Of the comments about 37 percent were in favor of the rule, about 58 percent were not, and there are another 8 percent that were neutral. I think we could characterize it that way.

Mr. ROGERS. Well, majority rules in this country, right? Thank you Mr. Chairman.

Mr. SIMPSON. Thank you. Mr. Honda.

Mr. HONDA. Well, thank you very much and appreciate being one of the newer members of this committee, and look forward to a lot of good work here.

Madame Secretary, I would like to start with the Lower Berryessa Creek project in my district. The Santa Clara Valley water district is undertaking the design and construction of the Lower Berryessa Creek project using dedicated, local funding. And this project is located immediately downstream from the Upper Berryessa Creek project which is currently under design by the Corps, and for which the President's budget request recommends \$12.7 million.

Both projects need to be completed to provide the 100 year flood protection to the new Milpitas Bay Area rapid transit station which is currently planned to be operational by the end of 2017.

Building the BART extension to Silicon Valley has been one of my biggest priorities since I got to Congress. Both Berryessa Creek projects are on track except for the fact that the water district has not yet received a Section 404 permit from the Corps. They have completed construction documents for phase 1 of the Lower Berryessa Creek project, and obtained all the other regulatory permits. They are planning to advertise for construction in March pending a receipt of the 404 permit.

They submitted permit applications in early 2012, and were told that they would be forthcoming in October of 2014. I know there are staffing changes, but from the Water District's perspective several months have gone by with no progress on what is listed as their number one priority.

Not receiving the 404 permit in time to advertise for construction this spring will have significant impacts on the project. Cost increases that the local agency cannot afford, and missing the 2015 construction season, which would delay the completion of this work by a year.

Now, this has an impact on the construction of the BART station. If the project is delayed the Valley Transportation Authority will have to include mitigation measures they otherwise would not need, and waste hundreds of thousands of dollars of scarce tax payer funds. Since these measures will not be needed once the

Lower Berryessa project is finally built, so can you tell me about the expected timing for the issuance of the permit for this project?

Ms. DARCY. Congressman, I believe we are anticipating a decision by April of this year.

Mr. HONDA. Okay. So I think the timing then going beyond April would be pretty devastating to our timeline, so are there any communications that will be forthcoming that will give some relief for our folks in my district that the check is in the mail?

Ms. DARCY. This is a permit application, I believe, so I think we are on track to make the decision by April of this year for the permit you are referring to——

Mr. HONDA. Okay.

Ms. DARCY [continuing]. For Lower Berryessa.

Mr. HONDA. So when you are saying that are you saying that it is a positive decision? That it will be forthcoming?

Ms. DARCY. I would have to defer to the district. I do not know the details.

General BOSTICK. We can ensure that the district communicates with the local leaders and gives the latest update, but the update that we are currently tracking is April of 2015.

Mr. HONDA. Okay. I thought that this might be just a procedural kind of thing waiting for the permit. I am sensing that there may be a situation where it may not be granted? Is that what I am feeling? If they met all specifications?

General BOSTICK. At this point we really cannot say whether it is going to be approved or disapproved, so we are not trying to give an indication that it would not be approved.

Mr. HONDA. Okay.

General BOSTICK. Just that——

Mr. HONDA. So——

General BOSTICK [continuing]. It is in the process of making the decision.

Mr. HONDA. So we will keep in close contact, look at April?

General BOSTICK. Yes.

Mr. HONDA. Mr. Chairman, I have a couple questions on the South Bay Salt Pond restoration, if I may? I would like to ask about the timing of the South Bay Salt Pond restoration project. The Corps estimated that it needed \$1 million to stay on schedule in the fiscal year 2015.

But local sponsors have contributed to contributing half of that, \$500,000 to make up the lower partner contribution, but the Corps estimates that with the current local funding only they will run out of funding this spring. Hopefully, making the agency decision milestone on April 21, another April deadline here.

This delay was mostly caused by an eight month delay to address the Corps Head Quarter's concern on sea level rise, and all integration of smart planning milestones. Response to those concerns, delayed project, and spending most of the remaining fund Corps had received. Without additional funding it seems like the Corps will not make the chief's report deadline of December 15. How are you going to keep up the schedule for this project from slipping even further? Do you have any idea?

Ms. DARCY. Congressman, we are looking at the possibility of using some unallocated FY15 work plan money to meet the need

for this project, and to meet the deadline that we have committed to.

Mr. HONDA. That's reassuring, thank you. It is a little bit better than the last one. One other question pertaining to South Bay Salt Pond restoration. It is brought to my attention that there is some disagreement between local interests and the Corp about the proposed alignment in the draft environment impact statement, revealed the South Bay Shoreline study.

The alignment of the levee in question could limit options that would otherwise be available to the City of San Jose as it works in its master plan for its regional water treatment facility. It is my understanding that there are options for levy alignment that could provide substantial fluvial flood control and habitat expansion benefits, but the Corp's plan could cut those options off, which the City of San Jose officials are concerned about. Are you working with the City of San Jose's officials on the development of the preferred alternative right now?

General BOSTICK. Yes. We are working very closely with the local officials. In fact, John Peabody is going to be out there next week looking at a number of these types of issues, but this project in particular.

Mr. HONDA. Okay. Great. Then hopefully at that time can be discussing modifications that would not obstruct San Jose's options, so I will look forward to that meeting. Thank you, Mr. Chairman.

Mr. SIMPSON. Thank you.

Mr. HONDA. I will wait for the next round.

Mr. SIMPSON. Mr. Frelinghuysen.

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman. I was thinking to myself and whispering to Mr. Calvert this is the quietest most subdued hearing we have ever had. So I either give you my compliments or wonder why it is so quiet, and perhaps I will liven it up a little bit. Madame Secretary, it is good to have you here. General Bostick and Peabody, Mr. Mazzanti thank you for being here.

Let me, first of all, thank you, Madame Secretary, for your service. With those in uniforms for their service, and as was noted, General Bostick, in your comments, the work of the Army Corp is not just here at home. It is abroad, and you do some remarkable things. May I evoke a little bit of history. The things you do in the aftermath of September 11th, 2001 in the New York/New Jersey region to help us recover we do not forget those sacrifices. Let me acknowledge, too, the things you do to hire veterans. Everybody ought to be stepping up the plate. Our defense industrial base, but particularly, obviously, the Army Corp, and all of our departments.

Let me also throw out a kudos to Mr. Simpson. It was an Idaho moment in the New York/New Jersey harbor when he came up to endorse the work that has been going on there for over 20 years. I mean, talking about national security we need to keep our harbors open for business, and certainly our part of the country like the West Coast, the Mississippi and Ohio are important rivers, and you do some remarkable things.

I would like to focus a little bit, and it was not without controversy that passed it, on the utilizations of the \$5 billion we gave you toward the Sandy recovery. I know you took some bows, and rightfully so, about the way the money is spent, but there are some

things that still need your attention. Can you put a little more detail on the table for us?

General BOSTICK. First, thanks for those kind remarks. Really, the credit goes to our people, both our soldiers and our civilians, and the sacrifices that their families make to ensure that we are providing the best support. Not only here in the United States, but abroad to meet the requirements of our national security.

I think we have done a tremendous job in a number of these areas. I talked about the flood control and coastal emergencies, and how we are about 95 percent complete there. With the operations and maintenance funding, the South Atlantic Division had to do some work in their area, but they are completely finished. In the North Atlantic division, and in our Lakes and Rivers Division, they are about 70 percent complete. In December of 2016 they will be 100 percent complete.

I talked about the study that we were able to release, the North Atlantic Coastal Comprehensive study.

Mr. FRELINGHUYSEN. I would like you to talk about that in a minute. I think you have completed 66 of 152 projects that are directly related to Sandy, and I was just wondering what the road forward, like, is? I am aware of the comprehensive study which, obviously, a lot of what we do here is balancing risk. I think that is the focus, primarily, of that study.

We don't, obviously, want to if we can do it. We want to minimize the potential for future disasters. But I was just wondering if you could tell me how we are going to progress on some of these other projects that were on the project list?

General BOSTICK. Right. The authorized but unconstructed projects, I think, those are some that you are talking about.

We have expedited the reevaluations on—

Mr. FRELINGHUYSEN. Maybe you could just move the mic a little closer to your mouth.

General BOSTICK. We have expedited the reevaluations on 19 of those project areas, and we are currently underway with that work. We have completed 11 of those expedited evaluations. We have obligated about \$400 million under those construction contracts already.

On ongoing studies, the first completed Chief's Report was the Hereford Inlet to Cape May Inlet, New Jersey and that was signed on the 23rd of January. Studies are underway for the remaining 16 areas.

Mr. FRELINGHUYSEN. Well, I am glad you are making progress. Let me take my hat off to General Savre. He has been keeping me posted in most positive ways, so thank you, Mr. Chairman.

Mr. SIMPSON. Thank you. Miss Roybal-Allard.

Ms. ROYBAL-ALLARD. Okay. Thank you, Mr. Chairman, and it is a pleasure to be back on the committee. As you know, water is a very important issue to California.

First of all, although it is an ongoing process I do want to say thank you for the efforts you are making to work on the Los Angeles River. It is a very exciting project, as you know.

Lieutenant General Bostick, it is my understanding that the Corps of Engineers recently forwarded to Congress the annual report to Congress required by Section 7001. One of the things that

disturbed me was to learn that despite the draught we are facing in the western states, water supply projects that otherwise met the criteria of Section 7001 were not certified as meeting the criteria. Because according to the Corp, they are not related to the missions and authorities of the Corp

Why is the Section 219 program, which was authorized by Congress in the 1992 Water bill not considered to be an authority of the Corp of Engineers?

Ms. DARCY. Congresswoman, regarding the report that you are referring to, which was required by WRRDA 2014, we just sent a copy up to the Hill on February 1st. When we did the solicitation that was required by the legislation, to publish in the Federal Register to solicit the input from stakeholders, we did just focus on the three major Corps mission areas: navigation, flood risk reduction, and aquatic ecosystem restoration.

So the water supply related projects that came in from others were not considered—however, I think that we have learned from this first round that there is a great deal of interest in those other kinds of projects. I think that in the future we probably need to look more broadly because we just focused on those three mission areas.

Ms. ROYBAL-ALLARD. Okay.

Ms. DARCY. And as you say there are other mission areas within the Corps like recreation, water supply, hydro power. We focused on the three main mission areas.

Ms. ROYBAL-ALLARD. Well, the recreation aside, I mean, California is in a crisis situation, and I am not sure that, you know, we have the luxury of waiting around for, you know, a year or two to address that. So I really would like to discuss with you some possibilities here.

Like I said, we don't have the luxury of time when it comes to the crisis that we are facing right now in California with water shortage.

Ms. DARCY. We will work with you on that.

Ms. ROYBAL-ALLARD. Okay. The FY-16 budget summary mentions increasing investment in on the ground programs that help local communities better prepare for risks associated with climate change. One could argue that the very real risk of running out of safe water supply for our communities, is the issue we should be addressing. So how does the Army Corp plan to address the nation's dwindling water supply?

Ms. DARCY. We have ongoing programs where we work with local communities to provide technical assistance through many of our programs, including technical assistance to states. We also are providing tools such as the tool that was developed as a result of the super storm Sandy to help people with the predictions of what the impacts of climate change will be on things like sea level rise and sea level change.

Those tools are available, and we are developing others. We are doing vulnerability assessments in our coastal communities about what the future impacts of climate change will look like in 50 years or 100 years from now.

Ms. ROYBAL-ALLARD. It is probably Spedus that we need to talk about as well.

General BOSTICK. Ma'am, I was just going to say that the water control manuals dictate what the authorized purposes are for our reservoirs. Last year, as you know, we worked very closely with California to have some diversions that would allow for us to retain more water in Whittier Narrows, in Prado Dam, in order for water supply purposes. But we worked closely within those authorized purposes, and try to work with the local community to try to do the best we can to meet the multiple purposes that each demands.

Ms. ROYBAL-ALLARD. In the recently enacted water Section 1014, it establishes an authorization program for locally sponsored water infrastructure projects. Will the environment infrastructure projects such as water recycling and water storage projects be eligible to apply through Section 104, and if not why not?

Ms. DARCY. I believe they are. I believe those kinds of projects are eligible to complete in that section, but I defer to the Corps.

Ms. ROYBAL-ALLARD. Could you let me know for sure?

Ms. DARCY. Yes, ma'am.

Ms. ROYBAL-ALLARD. Okay, thank you. I yield back.

Mr. SIMPSON. Thank you. Mr. Fleischmann.

Mr. FLEISCHMANN. Thank you, Mr. Chairman. I just wanted to thank you, sir. Again it is a privilege to serve on this Subcommittee. This is the second term, my third year, and I appreciate the full committee and the privilege to serve on this. Thank you very much.

Secretary Darcy, General Bostick and General Peabody, Mr. Mazzanti, it is good to see you all today. This is the third opportunity I have had to discuss issues with you all. I represent the people of the Third District of Tennessee; I was elected in 2010. And I want to let you know that I listen. We ask questions, but I listen and we try to act on what we hear and I have been listening to you all the last two years and it is in that regard and in that spirit that I have got some questions and some comments.

Madam Secretary, in 2014 the House and the Senate passed two key bills that made significant reforms to the way that we finance lock construction in this country. By overwhelming bipartisan margins we passed legislation that both reformed the Inland Waterway Trust Fund—as a matter of fact I was privileged to preside over that vote in the House—and also we got an increase in revenue. The industry supported user fee from \$0.20 to \$0.29. So we listened when we heard that the Trust Fund was broken and needed to be fixed. We listened when you all said that you needed additional revenue. And republicans, democrats, the House, the Senate, and the administration all I thought agreed that we were on the right course. Having said that based on my conversations that my staff has had with the Army Corps it is my understanding that in fiscal 2016 the Army Corps projects that the Inland Water Way Trust Fund will have revenues of about \$107 million. Is that figure accurate?

Ms. DARCY. Yes, sir.

Mr. FLEISCHMANN. Okay. So we have got the 107. Can you please tell me, Madam Secretary, how you took the \$0.09 per gallon diesel fuel increase into account when making this determination and how much revenue does this fee increase add?

Ms. DARCY. I think it is projected that the increase in the diesel tax will generate between \$30–35 million a year.

Mr. FLEISCHMANN. Okay. Of that \$107 million the fiscal '16 budget request allocates \$53 million from the Inland Waterway Trust Fund between the Olmsted Lock, which is first in line, and Lower Monongahela Lock which is second in line. What does the Corps plan, and this is probably my most important question I am going to ask you today, what does the Corps plan to do with the additional Inland Waterway Trust Fund revenues that they have not allocated for fiscal '16? Because that is \$53 million that is unaccounted for.

Ms. DARCY. We are looking at other possibilities. One thing that I know that you are interested in is Chickamauga Lock.

Mr. FLEISCHMANN. Yes, ma'am.

Ms. DARCY. We are currently looking at evaluating the priorities within that list of who is next, because right now Olmsted is the first priority, Monongahela—two, three, and four, is the second priority—Kentucky Lock is third, and Chick Lock is fourth. The Corps is currently looking at those evaluations so that we can make a determination of whether we need to re-look at that priority. We hope to have that completed this summer.

Mr. FLEISCHMANN. Okay. So it would be fair to say that you do intend then to take that \$53 million and invest that in our waterway infrastructure?

Ms. DARCY. We will be looking at those balances as to whether we are going to be able to invest the entire amount within our entire budget which is \$4.7 billion.

Mr. FLEISCHMANN. In reality we may actually end up having in excess of \$53 million because that is a rather conservative estimate at the 53.

Ms. DARCY. I think so.

Mr. FLEISCHMANN. Okay. Thank you. I wanted to ask you a further question, Madam Secretary. This year's budget request for the Army Corps is virtually flat compared to last year. It is considerably lower than last year's appropriation from Congress. Within the Inland Waterways construction the budget is 17 percent below last year's Congressionally enacted level. When everyone from the President to both parties in Congress agree on the importance of inland waterways, can you please explain to us why funding has been cut?

Ms. DARCY. The level that we are funding our inland waterways within the President's budget, within our Corps of Engineer's budget is what we believe is affordable at this time given all the pre-existing priorities across the government.

Mr. FLEISCHMANN. Okay. Then let me ask you a point blank question, is waterway infrastructure a priority for this administration? Because it is a priority for us, for me in particular. Is it a priority for this administration?

Ms. DARCY. Yes, it is.

Mr. FLEISCHMANN. Okay. Thank you. General Bostick, sir, what additional work on the Inland system could be done if funding stayed at the fiscal '15 levels Congressionally enacted? And as a follow up to that, sir, what kind of economic benefits would be derived from that extra investment?



General BOSTICK. I just want to make sure I have the question clear. What kind of work could we do with additional funding on the Inland Waterways?

Mr. FLEISCHMANN. If we spent at the fiscal '15 level that Congress enacted.

General BOSTICK. I am not clear.

Mr. FLEISCHMANN. Spent all the money you had to spend in '15.

General BOSTICK. If we spent all the money that we had in '15 what kind of work could we accomplish?

Mr. FLEISCHMANN. What additional work?

General BOSTICK. You know, there is a variety of types of work that we could do on the Inland Waterways, everything from the dredging work that we accomplish to the work that we do on our locks and dams. There are a number of things that are in our day-to-day operations and maintenance work that could happen as well as construction.

Mr. FLEISCHMANN. Okay, sir. General, could you please give me an update on the status of Olmsted along with an anticipated completion date?

General BOSTICK. I would say that Olmsted is going very well and I recall the date is around 2019 when we are going to be complete with the major work.

Mr. FLEISCHMANN. And one final question, sir. Can you please give me an update on the current condition of existing Chickamauga Lock and what maintenance needs to be performed in fiscal 2016?

General BOSTICK. Right. We do a study from time to time on the Chick Lock; the last structural study was a finite element study that said there is no immediate danger of structural failure. What we are continuing to do with our meters is to monitor significant movement. We have seismic monitors that are on there as well, so we are going to continue to monitor to ensure that if there is a potential structural failure that we take whatever necessary actions we can. But right now we do not see that as an issue.

Mr. FLEISCHMANN. Okay. And do you know of any specific projected maintenance for the Lock, through watering or anything that is set for the existing Chickamauga Lock? Do you have—

General PEABODY. No, sir; I believe it is just the routine monitoring and the routine maintenance this year.

Mr. FLEISCHMANN. Yeah.

General BOSTICK. We believe it is the routine monitoring and maintenance that we are doing.

General PEABODY. Sir, what I would say is we have undertaken a very deliberate and thorough approach to proactive maintenance on our locks and dams, especially in the upper Mississippi and Ohio region which includes the Cumberland River and the Tennessee River. That means we have a very deliberate periodic maintenance program that includes analysis that is being applied at Chick Lock. General Bostick mentioned the finite element analysis which is done for structures that we know have technical issues like Chickamauga Lock does. I believe we are going to do an update on that this year. But for this year I don't believe that the District has a specific non routine maintenance plan, but we will get back to you with a specific answer.

Mr. FLEISCHMANN. Thank you, General.

General BOSTICK. Since 1998 we have spent about \$29 million in maintenance efforts related to this growth, and this year we have \$1.63 million that is included in the budget for dewatering, inspections, and minor repairs for FY '16.

Mr. FLEISCHMANN. Yes, sir. All of which would enhance the need with the antiquated lock to get construction started on a new Chick, which is about a third complete.

With that I thank you and, Mr. Chairman, I yield back.

Mr. SIMPSON. Mr. Visclosky.

Mr. VISCLOSKY. Thank you, Mr. Chairman. For the panel I would like to thank all of you for your service. I would like to associate myself strongly with the Chairman and ranking member, and other members who have commented about the budget. I have now been on this Subcommittee for the better part of two decades. I appreciate that you fought for appropriate funding and did not get it. And just appalled at the failure of administrations of both parties not to invest in this country's infrastructure, to protect people's lives, and to build our economy. Other than that I do not have a strong opinion about the matter.

There are a number of questions. For the record, I am not going to ask them about the issue of invasive species in the Great Lakes and carp; it is not out of lack of strong interest and support for that program. But the question I would ask relates to small, remote, and subsistence navigation harbors and facilities. There has been a lot of discussion about backlog during the hearing today. I do not know if the Corps has a backlog figure for those particular types of structures. If they do I would appreciate knowing, or if there is an answer for the record I would appreciate that. And I don't know. If you do have a figure that would be terrific.

Ms. DARCY. Low use subsistence harbors?

Mr. VISCLOSKY. Yes, ma'am.

Ms. DARCY. We will give you a specific number for that particular category of harbors.

Mr. VISCLOSKY. If you could. And echoing the full Committee Chairman's question earlier on deferred maintenance with the monies that are in the budget request for '16, would the backlog whatever it may be stay the same, decline, or increase during fiscal year '16? If you could answer that for the record as well.

Ms. DARCY. Will do.

Mr. VISCLOSKY. Good. Thank you. And thank you, Mr. Chairman.

Mr. SIMPSON. Thank you. Ms. Herrera Beutler.

Ms. HERRERA BEUTLER. Thanks, Mr. Chairman. It is a pleasure to be on the Subcommittee. I feel like I am following you around Subcommittees.

I specifically asked to be on this Subcommittee in large part because of the important role you all play in the Pacific Northwest. My district is about from Mount St. Helens down to the Columbia River, out through the mouth, and then as you can ascertain I am on the Wet side of Washington State. So you all play an incredibly important role in the protection, growth, development, and sustainability of my district. And in that vein I have a couple of questions.

The first is the water bill that we passed last year directs 10 percent of the total funding for harbor maintenance activities to be

used at emerging harbors. I have 15 public ports. I have a lot of small ports. That term is defined similarly to what this Committee calls small, remote, or subsistence navigation. Since the total Harbor Maintenance Trust Fund request is \$915 million, basic math, which is about where I roll, 10 percent would be about 91.5. Does this budget include that \$91.5 million for emerging harbors and small ports?

Ms. DARCY. Yes, it does.

Ms. HERRERA BEUTLER. Wonderful. The other, kind of switching gears, in Washington State, so the Cowlitz River which picks up a lot of the silt from Mount St. Helens, very often is it in danger of flooding many communities in my district up and down that river. And one of the things I wanted to ask about is both the work plan and the FY '16 request zero out existing efforts to monitor and assess flood risk in that region. Can you speak to that for a moment, because I assume if we have heavy flooding it is going to be more expensive for you all to go in there. I just wanted some background or some thoughts on why.

General BOSTICK. On why it would be more expensive?

Ms. HERRERA BEUTLER. No, on why it was zeroed out.

General BOSTICK. Representative, I would say that this project is considered with all other projects and we do a performance based budgeting by policy. While this is very important, it competes with a lot of other projects that we have to work on. What we are hoping to do is a Limited Reevaluation Report on this which would be a follow up to the Chief's Report which done in the '80s, and that report would require about \$140,000 in order to complete it.

Ms. HERRERA BEUTLER. I am so sorry to interrupt. I just want to make sure I am following. So the evaluation that helped you make the decision to zero was the one done in the '80s? No?

General BOSTICK. No.

Ms. HERRERA BEUTLER. I am not following that.

General BOSTICK. No. Normally in order to have a project you have to have a Chief's report.

Ms. HERRERA BEUTLER. Yes.

General BOSTICK. So we did that back in the '80s. We then had to reevaluate based on trying to do new work there and it was not included in the budget. But it could still compete later in the work plan with the additional money that has not been allocated. We are going to do that work by the end of February, reassess other projects and this may or may not be one that we can fund.

Ms. DARCY. I was going to concur with the Chief that yes, we are looking at that unexpended balances in the work plan and this is one of the projects that is being considered.

Ms. HERRERA BEUTLER. Great. We very much appreciate that second consideration. I know our Governor is working with the local stakeholders and the State is doing its part, but obviously the Corps plays a pretty big role here. So I appreciate that and would like to be kept up to date as you move forward.

The last little section I wanted to cover was we seem to have a permitting problem in Washington State. Being where I am located we have the privilege of working both with the Washington and the Portland Corps, and the difference between the two—and I am not talking about the people, I am just talking about the actual product

in terms of days waiting for a yes or a no, is night and day. And it is not that there are more sensitive environmental or tribal issues more so to Portland or Southwest Washington, it is the same region, but we are talking of hundreds of days' difference in terms of NPDES or nationwide permits. So we feel like we have a pretty good thing to compare in terms of reasonable similarity. And we have been very grateful for the Section 214 flexibility, we are working on maybe expanding on that, but is there a way that you can help us figure out why there is such a difference? I have my own ideas, but I would really like your help in bringing into line the amount of time it takes to get those permits, with reasonableness in regards to other regional offices. It should not be this different.

General BOSTICK. You know we hear this from time to time in a number of different areas, but we are happy to take a look at it. Usually there is some reason that is not clear to everybody, but we are happy to look at it.

Ms. HERRERA BEUTLER. Well, I mean I see it across, whether it is municipalities, whether it is developers, whether it is people just trying to rebuild after a flood. It is amazing the difference. And I know that the Corps has put in Vancouver, just across the river from Portland but down from Seattle, an office to help. We thought maybe it is just paperwork, maybe it is just getting stuff where it needs to go. But what we have found is the Vancouver office has not had the same ability to make decisions and so things get sent there bundled and then sent up to Seattle and they are actually put behind—it is further down the wait list. And I know in Eugene you put a section chief there so that people did not have to come all the way up to Portland. Maybe giving a little bit more authority to Vancouver, perhaps making a section chief would help. So I would ask that you look at that as we move forward.

General BOSTICK. We will take a look at it and provide you some feedback.

Ms. HERRERA BEUTLER. That would be great. And with that I yield back. Thanks, Mr. Chairman.

Mr. SIMPSON. Thank you. Mr. Calvert.

Mr. CALVERT. Thank you, Mr. Chairman. I would like to add on. Ms. Roybal-Allard mentioned the significant drop we are having in the West, not just in California, but I would add that the City of Los Angeles and much of Southern California probably will be going into mandatory rationing this summer unless a miracle occurs here in the next few weeks and resolves that issue. But I do not have high expectations. And so it is correct that we have been studying these, you and your brothers and sisters in reclamation, storage projects from expanding Shasta to the San Luis Reservoir, to the Upper San Joaquin, the offsite reservoir sites, and the rest. And we need to get moving on these things, the sooner the better. Obviously this summer is going to be a very difficult one and my friend Mr. Valadao is feeling the brunt of this already and we are going to be feeling the brunt of it also in Southern California.

But with that, we had mentioned this work plan, money, that \$79–80 million that has yet to be allocated. And I think I have discussed with several of you about the project in Murrieta, California. We have been working on a very aggressive schedule to bring flood control to the community. It was made possible through

both the combination of federal funds secured in the project and we accelerated the non-federal cost share from the County of Riverside, from the county flood control.

This project obviously is critical. The community is vulnerable to flooding, to long delays in implementing the La Mirida Creek Project, and I think the Corps, Riverside, and I made commitments to the community to move this project forward. In addition to adding your flood protection community, the project will create over 160 acres of wildlife habitat, wetland reparation, and seven miles of earth channelization and development of continuous habitat and so forth. But the question is I understand we are waiting for the completion of a limited reevaluation report. This report will likely result in a project that is economically justified under the Corps policy so it can be complete for additional funds in the future.

What is your timeline for this report?

General BOSTICK. We are looking at the third quarter of 2015.

Mr. CALVERT. Third quarter of 2015?

General BOSTICK. Yes, sir.

Mr. CALVERT. Okay. Because we need to get this done in this area. We have had a 10-year lull between when this project first started, as you know, in phase one; now in development of phase two. So we would like to get this completed.

As a comment, Ms. Roybal-Allard brought up the L.A. River, and I am just going to make a comment about it. As you know, no funds were included in Fiscal Year 2016 Budget Request. No funds were included in Fiscal Year 2016 Work Plan. Funds allocated in a study in Fiscal Year 2014 are expected to be sufficient to complete the study phase as I understand it, and a chief report is expected sometime later this year. The project would then need to be authorized before construction funding could be considered. There is a phase of work between the Chief's Report and construction, as you know, called the PED, or the preconstruction engineering design. So if the Corps has funds above the budget request in Fiscal Year 2016, is it possible PED funding would be provided if the construction has not been authorized by then? Is that possible?

Ms. DARCY. Sir, we are looking at funding PED for projects that have a completed Chief's Report. So if there is some—

Mr. CALVERT. Even if it is not authorized?

Ms. DARCY. We usually do not allocate PED funding on projects that are not authorized.

Mr. CALVERT. Usually?

Ms. DARCY. Yes.

Mr. CALVERT. What does that mean?

Ms. DARCY. It means most of the time.

Mr. CALVERT. Does that mean that you are going to make an exception here?

Ms. DARCY. What we are trying to do with PED funding is not allocate PED money to projects that are not going to be authorized. We are trying to find a place in the process that makes the most sense to be the cutoff point for when we would proceed to PED. That is usually an authorized project. However, there can be considerations made if the Chief's Report is on its way. There can be considerations made.

Mr. CALVERT. How often does that happen?

Ms. DARCY. Not very often.

Mr. CALVERT. Let us say in the last 10 years, how often has that happened?

Ms. DARCY. I do not know but I could find out for you.

Mr. CALVERT. Not often, has it?

Ms. DARCY. Pardon me?

Mr. CALVERT. If any?

Ms. DARCY. Not very.

Mr. CALVERT. Yeah.

Ms. DARCY. I will look though for you so that I can better answer the question.

Mr. CALVERT. I just think a number of us have had projects that we have been working on for a number of years, so I just bring that up. And so, and I have a couple of other questions regarding that that I will enter into the record. For the interest of time, I will yield back the balance of my time.

Mr. SIMPSON. Thank you, Mr. Calvert.

I would note before I call on the last member that for your sake, if you have not noted it already, that three of the four new members are from California. And the only four members of the Committee that are not either the ranking member or myself that are still here at this hearing are from California. California plays an important part both in this country and on this Committee. I just say that for your benefit if nobody had noticed yet.

Now I call on the other new member to the Committee from California, Mr. Valadao.

Mr. VALADAO. Thank you, Chairman.

I would like to back up some of the comments or reinforce some of the comments made by my colleagues from California. Water is obviously something that is very important to all of us. Ms. Roybal-Allard and Mr. Calvert—I am used to calling him Ken and I have got to break that habit in front of people. But those are what we are facing right now in the Central Valley especially. We have started to kind of feel the brunt of it faster and quicker than anywhere else because my area does not have as many votes as some of the larger cities. And so we, for some reason, get beat up the worst.

But I would like to also talk a little bit about the Clean Water Act, which Mr. Rogers, the chairman, brought up earlier. The Fiscal Year 2015 Act included a prohibition on regulating certain agriculture activities under the Clean Water Act. Can you please explain any actions taken to date to ensure compliance with this provision? Has any guidance or direction been provided to district offices? And if so, please submit a copy to the Committee. If no actions have been taken to date, when do you anticipate implementing these provisions?

Ms. DARCY. Congressman, we have submitted guidance to the field on the provision that you are referring to regarding exemptions under the Clean Water Section 404(F)(1)(a)(c). And that guidance has gone to the field. We also have withdrawn, which was also required in the Appropriations Bill, the interpretive rule that we had published with EPA.

Mr. VALADAO. Then on to a different topic. In 2014, Congress approved the Water Resources Reform and Development Act or

WRRDA, and specifically, Section 1006. Section 1006 allows public utility companies and natural gas companies to participate in an already established program within the Army Corps of Engineers to expedite the processing of permits. Or my constituents, this means a more transparent, timely, and predictable evaluation of permits, which will facilitate infrastructure investment that ultimately supports economic growth and job creation in my district and around California. I understand the Army Corps of Engineers held a public listening in September 2014 to receive public input on the development and implementation guidance for Section 1006 and other provisions under WRRDA 2014.

I appreciate you taking such action; however, to date, guidance for Section 1006 has not been issued. Can you please provide me with an update on the status of the guidance document for this section, and specifically, when you expect it to be finalized and implemented?

Ms. DARCY. I do not have that but I can get it for you. I know that it amends Section 214, which is the provision that the Congresswoman was referring to by adding oil and natural gas to that. It is under development but I will get you an answer as to when we expect it to be finalized.

Mr. VALADAO. All right. And then the Panoche Valley Solar Project in both my district and Sam Farr's district, my bordering district, would bring jobs to our communities and help increase California's energy portfolio. This project would finance the permanent conservation of over 24,000 acres of the Diablo Range habitat. This project is currently awaiting its environmental review, and I understand the project development team has proposed several logical adaptations to the draft project review schedule. Given the extended time the project team has been working with the Army Corps staff, I see no reason why the necessary draft Federal Environmental Impact Statement publication and circulation cannot be completed by February 2015. Can you give me an update on this project's environmental review?

General BOSTICK. The draft EIS is supposed to be complete in September of 2015, and we expect a permit decision by the summer of 2016.

Mr. VALADAO. So still a ways away?

General BOSTICK. I know we have worked this diligently and we are going to go back and review our own processes and determine what happened here. If there are some systemic issues, we will certainly work those throughout the Corps. We have our folks focused on it. They are working it hard in the district, and we are monitoring it from our level. I am a resident of California.

Mr. VALADAO. Lucky.

General BOSTICK. Representative Farr is my Congressman, so we are very close by, and a lot of the issues that you relate and others have related on the water challenges out there, my own family and friends are feeling that. So I am not biased in my decisions but I did want to mention my personal interest and understanding of the issues.

Mr. VALADAO. Well, I appreciate that, and I look forward to getting some answers on those two. Perfect. Thank you.

Mr. SIMPSON. Mr. Fortenberry.

Mr. FORTENBERRY. Thank you, Mr. Chairman. I apologize. I am in between two hearings and doing the best I can, so I am sorry if some of this may be redundant.

Secretary Darcy, thank you again for your hard work and I believe proper assessment of the Western Sarpy County Clear Creek Project. That is completed successfully now. A few years ago you were able to come out and observe the importance of this project from both an environmental, as well as flood control status, and I was grateful for your willingness to do that. So thank you very much. I hope it was enjoyable for you.

Ms. DARCY. I think it was one of my only trips to your state.

Mr. FORTENBERRY. Well, you are welcome any time, and if you do not want to ride the airboat again, we can also arrange that.

But I want to talk about two issues. Let me be specific in regards to the 500 Year Flood that happened on the Missouri River. Apparently, Corps-designed standards for the levees now are imposing upon the community of Bellevue, which is home to Offutt Air Force Base and Strategic Command. New levee designs that will cost, it has been proposed, about \$35 million. That levee held during the flood. There was some sandbagging and a robust community response that did take place, but it did hold. So now we have some new design standard that is coming along and apparently a confusion or discussion or a lack of clarity on how this is going to get paid for. So I would like you to address that issue. First of all, the necessity of such a standard given that that levee held with some support mechanisms, and then secondly, payment.

The third point I would like to make with you is going back to the Waters of the U.S. proposed rule. If you have not heard yet, this has upset a lot of people. I think you are getting a lot of commentary in that regard. I understand there has been some discussion internally of perhaps an agricultural exemption. If that is the case, I would like to hear your perspective.

Ms. DARCY. On the Waters of the U.S. rule, Congressman, the rule as proposed keeps in place all of the existing agricultural exemptions under the Clean Water Act for farming, ranching, and silviculture. What the proposed rule does, in addition, is exclude upland ditches for the first time. There are other exceptions as well in there, but that one is the most, I think, particular to agriculture. But the rule, as I say, keeps the agriculture exemptions as they are, as well as includes additional exemptions.

Mr. FORTENBERRY. Define upland ditch for me.

Ms. DARCY. An upland ditch is when you make a ditch from a dry place, through a dry place. So it is not connected to a water body. It is upland of water. I always think of it as dry to dry.

Mr. FORTENBERRY. Independent of some tributary then?

Ms. DARCY. Yes.

Mr. FORTENBERRY. I see. Okay.

General BOSTICK. As far as the levees, I cannot speak to the specific issue at Bellevue and Offutt Air Force Base, but we will follow up on that. But I would say in general, when we look at our levees and develop a standard, that standard is the standard that we use throughout. And it has been developed over many years. The whole intent is public safety. And because a levee might have served and survived a storm, there is no clear indication that it would survive



the next one. I do not know the facts behind this, and we will go dig into the facts, but I feel our levee safety program and the design of our levees, in addition to what we have learned from Hurricane Katrina and Sandy and the flood on the Mississippi, has given us a wealth of expertise in how we design these. In terms of the cost, I will have to look deeper.

Mr. FORTENBERRY. Well, this was the Missouri, just to be clear.

General BOSTICK. Right. I understand.

Mr. FORTENBERRY. You said Mississippi. I just need to——

General BOSTICK. I meant there was a Mississippi flood.

Mr. FORTENBERRY. I get that, too. But the one next to me was——

General BOSTICK. Right. And we have learned a lot from Missouri. That was my error.

Mr. FORTENBERRY. Just add that to what you have learned from, I guess.

General BOSTICK. We have learned a whole lot from the Missouri.

Mr. FORTENBERRY. Well, would you unpack though the problematic question of, again, an imposition by the Federal government of a new standard design and then cost-sharing arrangements.

General BOSTICK. Again, I would have to take a look at it. I am not aware of a new standard design. The design standard is the design standard.

Mr. FORTENBERRY. Well, maybe I am stating that incorrectly. There is some need to enhance the current levee structure that, again, held properly with some reinforcement during what I think is classified as a 500-year flood. And so now that comes along as cause of great consternation in the community as to, again, there is a major federal installation there, a base that would demand protection, and yet, a significant cost potentially being imposed upon the local community which may be beyond its capacity to absorb.

General BOSTICK. We do annual levee safety inspections, and it is possible that this originated from a safety inspection that identified some damage. Or identified that the levee was actually not built to standard, and that may have originated the issue. We will find out. Then in terms of cost, there is generally a cost-share agreement that we work. And I do not know if that is where the \$35 million came from, but again, we will follow-up, Congressman, and make sure we provide you the details.

Mr. FORTENBERRY. Well, that would be helpful. Again, we are at the early stages where the possibility of this is being not just proposed but imposed upon the community, and that is causing a great deal of concern as to where the payment is going to come from and how that is properly allocated, particularly given the fact that this substantively protects a major military installation. Obviously, the local community would benefit from that and would have some role, but again, the clear issue is the federal nexus here.

General BOSTICK. Okay.

Mr. FORTENBERRY. Thank you.

Thank you, Mr. Chair.

Mr. SIMPSON. Thank you.

Now, let me ask a couple questions. One of them is a little parochial.

Ririe Reservoir. Ririe Reservoir in Bonneville County is a Corps of Engineers built and our Bureau of Reclamation owned and operated reservoir with flood control authority administered by the Corps.

First, thank you for your work with reclamation regarding the possibility of additional water being carried over from one water year to the next. I understand that the water users, however, are interested in seeing further changes to allow more water to be carried over and available for use.

General Bostick, can you please discuss the process for any next steps at Ririe? Which federal agency would take the lead on any next steps? And do you have the necessary authority? If you are in charge, do you have the necessary authority or would a change in law be required in which account and line items would funding be appropriated and would be appropriate? And would further action be considered ongoing operations or would a new start be required? And would there be a cost-share requirement for local stakeholders? I know that is a series of questions on the same subject.

General BOSTICK. This would fall under the lead of the U.S. Bureau of Reclamation, but we would work very closely with them. They would have to go through a reallocation study. They would have to find a nonfederal sponsor that would pay the nonfederal share. My sensing that it would have to be authorized, but I would leave the details to the Bureau of Reclamation to answer.

Mr. SIMPSON. Okay. Section 2102 of the Water Resources Development WRRDA of 2014 directed the Corps to submit a report to this Committee and others identifying the costs associated with maintaining authorized dimensions of harbors and inland harbors, as well as the funding included in the annual budget request. This information is to be on a project-by-project basis. The Committee has not received this report yet, even though it was directed to be submitted in conjunction with the Fiscal Year 2016 budget. Is the Corps working on it? And is there a schedule for submitting it?

Ms. DARCY. Yes.

Mr. SIMPSON. Yes, you are working, or yes, there is a schedule?

Ms. DARCY. We have not initiated the development of this report. As you know, it was one of over 40 reporting requirements that were in that bill. So we have not initiated, and I do not know what our timetable is for starting it. Do you, Mark?

Mr. MAZZANTI. No, I do not, but we are looking at those requirements. Mr. Chairman, we are looking at all of the requirements in the WRRDA for reporting and trying to determine where those that we need additional funding are and where those that we can meet them based on the number of criteria. And we will have that analysis completed very shortly.

Mr. SIMPSON. You will let us know if additional funding is required and where it will come from?

Ms. DARCY. Yes.

Mr. SIMPSON. Okay, thank you.

Finally, my last question, the ban on congressional earmarks means that the administration has the sole discretion to decide

what specific new studies and construction projects are initiated. This Committee though still has a role to play in setting programmatic parameters for which types of projects should be considered. Unfortunately, the Committee efforts have been hindered by the lack of clarity as to how the administration determines new starts.

Secretary Darcy, can you please discuss how your office approaches the decision to which projects are considered new starts and which are not? How do you determine which projects to propose for new starts in your budget request? And then I will ask about a specific one.

Ms. DARCY. Okay. We had nine new study starts in the 2014 work plan. I think we also submitted the rating report which explains how we made the decisions on new starts, both in studies, construction, and the whole account. But new starts in the construction account are when we actually turn dirt. That is when it is considered to be a new start.

Mr. SIMPSON. Okay.

Ms. DARCY. And in the other accounts, it is when a federal investment is beginning. So a new start study would be when that first federal investment is being proposed for that.

Mr. SIMPSON. In the Fiscal Year 2016 Budget Request, it proposes a single new start in investigations that would fund continuing work on three of the nine focus areas identified in the North Atlantic Coast Comprehensive Study. Can you please explain, one, why this activity was determined to be a new start rather than ongoing work? And two, why this work was proposed in a single line under Remaining Items rather than proposed each focus area as its own line item as with most feasibility studies? And can we expect to see the remaining six areas requested in future budgets, and will they be treated as new starts?

Ms. DARCY. As a result of the Sandy comprehensive study we looked at nine focus areas in the region and in looking at those, for the purposes of the '16 budget, we are looking at three of those nine focus areas in that Remaining Item to be funded in the '16 budget. All of the other focus areas in that remaining line item would all be considered the same. The only ones that we are asking for funding for in the '16 budget are the three. And those three are ones that we think that we have local sponsors for.

In the future, we would be looking at the other focus areas the same way we are looking at these. It is just that the others are not ready to go yet.

Mr. SIMPSON. But we have three areas that are one new start, right?

Ms. DARCY. Well, the line item is one new start but it is for the nine focus areas within that study. They have already had some initial study and use of the money from the Sandy supplemental. We wanted to make sure that the whole item shows the nine focus areas but just for this '16 budget, the funding would be requested for those three.

Mr. SIMPSON. If they have already had some Sandy funding put toward them how come they are new starts instead of ongoing work?

Ms. DARCY. We want to make sure that we are being transparent in showing what we plan to do regarding this study. The study did something different than we ordinarily do in looking at these areas quite frankly, but we wanted to make sure that we are open to what the new start realm is.

Mr. SIMPSON. Okay, thank you. I appreciate that very much. Ms. Kaptur.

Ms. KAPTUR. Thank you very much, Mr. Chairman. And we thank the witnesses this morning for their longevity here. We appreciate it very much. You can see there is a great deal of interest and that is good. General Bostick, in the 2015 report accompanying your appropriations, there was a requirement for the Corps to report on how existing federal authorities can be exercised for inter-agency cooperation to meet the needs of the largest watershed in the Great Lakes, Lake Erie.

Could you update us on the status of this report? There was a timeline requirement of 90 days in the legislation.

General PEABODY. Yes, Congresswoman. We have initiated coordination with the specified federal partners, interagency partners, and that initial report is due next month. We are on track to provide a strategic framework recommending how we might get after this issue associated with algal blooms in Western Lake Erie.

Ms. KAPTUR. Thank you.

General PEABODY. And we have also been collaborating with the Western Lake Erie Basin Alliance in that regard as well.

Ms. KAPTUR. Thank you. Thank you very much, General, I appreciate that. I am also going to unanimous consent to place in the record a follow-up to a question I asked first in the last round which had to do with the employment, the job creating potential, of the Corps. I also am going to ask if to include, Mr. Chairman, a summary I have state by state but I am going to ask the Corps, congressional district by congressional district, how many jobs the Corps directly hires.

In other words, if you are total staffing which congressional districts they are located in? So we have it by state and we would appreciate that. Thank you so much, Mr. Chairman.

I wanted to also ask on dredging contracts, the Corps generally bids contracts based on least-cost bidder. I have been made aware that at least one project in the State of Washington resulted in award to a contractor who really seemed not qualified to do the job. And it may result in a large portion of that particular harbor not being able to be used for the majority of this year.

General, there are many areas of the country where these dredging projects are challenging on the best of days. Is this a more widespread problem than just one harbor and what can be done to ensure that this is not an issue going forward?

General BOSTICK. We talked about this with leaders in our headquarters and I would say probably 98, 99 percent of the time we get it right on this dredging. And from time to time, we run into a contractor that bids on a contract—and these are sealed bids—that it turns out that the work they run into is more difficult than the crew that they have or the equipment that they can handle. And that was the case in this particular area. But it does not hap-

pen often. It is not a systemic problem. We do very well on these contracts and the work that we have to do in dredging.

Ms. KAPTUR. Thank you. I have a question on Asian carp. Congressman Visclosky didn't want to get into it in a great deal of detail this morning but I have to say, obviously, it threatens a \$7 billion fishery in the Great Lakes. And I am curious as to how many years it would take to have the operational barrier completed at the Brandon Road Lock and Dam and how does this compare to other proposals you have to review and what can be done to speed up the process if it is going to languish out there?

Ms. DARCY. Congresswoman, the Brandon Road Lock proposal is a result of the GLMRIS study that the Corps completed looking at a number of alternatives for keeping invasive species out of the Great Lakes from the Mississippi River and tributaries. And the Brandon Road Lock was one of the alternatives that was part of several of the alternatives. We are funding it because this is a one-way pathway for the fish. That is one of the reasons it was selected, that through the study process we can determine whether this could provide an additional barrier.

We are scoping, I think we have our first scoping meeting, I am looking at General Peabody, underway to determine the scope of the study because it is going to a complex problem. We plan to look at an existing structure and how one can, in some way, retrofit that to take care of the Asian carp or the invasive species problem. I don't know, General, if you want to add anything?

General PEABODY. The only thing I would add, ma'am, is this is a good example of why we appreciate the Congress giving us waivers for the policy that we put in place and that you put into law because this is likely to exceed that by two or three times that amount, maybe more. Next month we will be having a review at the headquarters of the regional proposal to execute the feasibility study for Brandon Road. And once we have that reviewed, then we will be able to make a determination as to what the appropriate funding allocations will be.

But the Administration has put in with carry-over, I think in GLMRIS we have, close to \$2.5 million to get this kick-started and we will continue to keep Secretary Darcy apprised of our funding needs as we go forward.

Ms. KAPTUR. General, could you give us a sense of what you know? The last I heard was that a lot of the fish were 30 miles from the Chicago barrier. For some strange reason, no one understood why more of them were not coming north. But we know some are coming north. But what is the latest you know?

General BOSTICK. I actually put a chart together for you and we can pass that to you either now or later. But it provides to answer to the question you had last year, a graphical means to better see it. If you would like to see that chart, we can show it to you now or I can talk you through it.

Ms. KAPTUR. Well, General, give us the short synopsis.

General BOSTICK. The dispersal, the electric barrier is about 37 miles from the Great Lakes. The presence of adult fish is about 55 miles. Spawning area is at about 62 miles and in the established population is about 143 miles away from the Great Lakes. So that gives you a feel for where we are seeing them.

And I think the point is that leading edge of the Asian carp has not changed movement since 2006 and we don't know why they have not moved, but they have not moved from that leading edge of where the carp are located since 2006.

Ms. KAPTUR. General, that is such important information. I would ask you to summarize it in a way we can provide it to all interested members, surely those from the Great Lakes. Might even ask for a special briefing because it is of deep, deep concern.

Ms. DARCY. We can leave those charts with you, too.

General PEABODY. We will provide this to the staff what the Chief just talked about.

Ms. KAPTUR. I thank you very, very much. I wanted to ask a question about the harbor maintenance tax. And everybody is getting down in the weeds for their region so I have to do it for my region, too. If I look at the Cleveland Harbor and I look at the Toledo Harbor and the dredging challenges we face and the dredge disposal challenges we face, when you have—what happens to you inside of the Executive Branch if there is \$9 billion projected to be in the Harbor Maintenance Fund not able to be expended to deal with a few million dollars' worth of dredge material?

Why can't we solve the problems of the dredge disposal by using a small amount of additional funds from the harbor maintenance tax? What goes on inside that denies us that ability?

Ms. DARCY. Congresswoman, we need to look at the demands on the budget across the entire government and we did, however, in this budget have 10 percent of the Harbor Maintenance Trust Fund for Great Lakes activities, Great Lakes dredging.

Ms. KAPTUR. Yes. Let us hope that that helps us this year. And we thank you for that very much and I thank the Chairman for helping us all along. I also wanted to echo what the Chairman said about the number of members who are here from California today. But I wanted to step back from the particular to the general and ask you to inform us in the country, with the changing nature of the climate and the weather, a region like I represent has 50 percent more rainfall in the last decade.

But if we listen to the other members of this committee, what is happening in California and other places is quite atypical. Could you give us just your brief sense of what are the most water-stressed communities in terms of water as you look at the whole country? I am talking about fresh water for drinking or for irrigation. And which areas of the country you see as having large amounts of water? What is the map in your mind? What comes up? Most water short, most water-stressed, most water plentiful, atypically plentiful?

Ms. DARCY. I see the arid west.

General BOSTICK. I think the Southwest is probably the driest and the Northwest has a lot of the water as well as parts of the East. But I think the Southwest, from, Texas to California, Southern California, clearly has huge, significant drought issues.

Ms. KAPTUR. Are you able to define that any more specifically by community, by congressional district?

General BOSTICK. We could define it. Last year we were looking at a period, or year before last, where 67 percent of the country was in severe drought and that was significant. And that was the

year that, or in 2012, where we had the issues on the Mississippi where we almost could not move barge traffic. So the drought affected a large part of the country.

In using that kind of a map, we can show you what districts, how districts overlay in the drought area.

Ms. KAPTUR. I think that would be very interesting. We could share it with our colleagues.

Ms. DARCY. And we would also probably be looking to the U.S. Geological Survey because they do hydrologic mapping for the whole country and they probably have it by district and state by state as well.

Ms. KAPTUR. All right, well, we will work with you to prepare summary information in that regard. I didn't understand something in your testimony, Secretary Darcy. You talked about renewal of energy-sustaining accounts in your testimony? What was that referencing?

Ms. DARCY. We are funding several efforts to help increase our sustainability. Is that what you are referencing?

Ms. KAPTUR. Yes.

Ms. DARCY. For climate change.

Ms. KAPTUR. Could you explain a little more on that?

Ms. DARCY. They are in various accounts and across projects and business lines. The majority of it is a focus on communities and helping communities to be more resilient by providing them with information and planning tools so that when they make decisions on whether to go forward with a project or to go forward with building, they can see what kinds of impacts that they would have. This is important especially in coastal communities regarding what the impact would be on future projections of sea-level rise.

Ms. KAPTUR. I see.

Ms. DARCY. We have developed that tool along with FEMA and NOAA.

Ms. KAPTUR. All right, thank you. Thank you all very much for your service and, Mr. Chairman, thank you. I want to thank the staffs for doing a great job for this first hearing for us.

Mr. SIMPSON. Thank you.

Ms. DARCY. Thank you.

Mr. SIMPSON. Again, thank you for being here. You can understand the frustration that some members have and when they see an increase, continual increase, in the amount in the Harbor Maintenance Trust Fund and it's growing and we can't spend it. That is not your problem. That is our problem because of the budget rules that we work under and if we were to increase the spending out of there and take money out of there to spend it, it would come out of some other account within the Energy and Water Appropriation Bill.

The increase in tax, on fuel tax, for the Inland Waterway Trust Fund is something that has been needed, that the operators agreed to and to see the funding go down for it when the taxes are increased is frustrating to them and everyone else. But again, this is an issue that we have to resolve somewhere within Congress so that it doesn't affect some of my priorities in other parts of the budget to do it.

It is the debate we come up with every year on the floor and it is hard sometimes for some people to understand but it is, you know, this wasn't imposed by God. He didn't say if you spend money in the Harbor Maintenance Trust Fund, you have got to take it out of this. That is something we did.

So it is something we have got to address and try to fix so that we can actually, if you are going to tax somebody to address a need and the need still exists, why don't you spend the money to do what it was originally intended for?

That is, you know, a rhetorical question. It is not for you to answer. But I appreciate you all being here today and again, I appreciate the great work that you all do. We thank you all very much for the work you do not only in-country but around the world. Thank you.

General PEABODY. Thank you.

Ms. DARCY. Thank you.



**QUESTIONS FOR THE RECORD** SUBCOMMITTEE  
ON ENERGY AND WATER DEVELOPMENT HOUSE  
COMMITTEE ON APPROPRIATIONS

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**Hearing on the Fiscal Year 2016 Budget Request for the  
U.S. Army Corps of Engineers, Civil Works February  
11, 2015**

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## **CORPS PLANNING PROGRAM AND INVESTIGATIONS FUNDING**

### **NORTH ATLANTIC COAST COMPREHENSIVE STUDY FOCUS AREAS**

Subcommittee. The fiscal year 2016 budget request proposes a single new start in Investigations that would fund continuing work on three of the nine focus areas identified in the North Atlantic Coast Comprehensive Study. According to the budget request, this funding is to negotiate feasibility cost-sharing agreements and these feasibility efforts will follow the current planning process.

That sounds like the plan is to proceed with three individual feasibility studies under the 3x3x3 guidance. Is that correct?

*If the answer is yes:* These focus areas are geographically large and the issues are complex. It seems unrealistic to think these studies can be completed within 3 years at a cost of no more than \$3 million. How will you ensure that scoping these studies to meet arbitrary time and cost limits will not send us down the wrong path for reducing flood risks in each region?

*If the answer is no:* Can you please describe what the plan is for these focus areas then?

Assistant Secretary Darcy. Yes. Each Focus Area will be evaluated using the Coastal Storm Risk Management Framework and Tools developed in the North Atlantic Coast Comprehensive Study. If funded, the first task of the Feasibility Studies will be to develop the Project Management Plans, which includes the scoping of tasks, costs and schedules, specifically addressing the unique set of criteria for each region, with the non-Federal Sponsors. Consistent with standard SMART Planning practice, if based on this scoping, the vertical team recommends a waiver to 3x3x3 for any of these studies, that waiver will be considered consistent with established policy and procedures.

## ELIMINATION OF RECONNAISSANCE STUDIES

Subcommittee. The Water Resources Reform and Development Act of 2014 eliminated the reconnaissance study as the initial phase of Investigations. What is the Corps' plan for implementing that provision? How will the agency ensure that resources are not wasted pursuing a study that ends up having no federal interest?

Assistant Secretary Darcy. For new feasibility studies under consideration for the Fiscal Year (FY) 2017 Budget and thereafter, a screening process will be conducted to ensure that the most viable studies are recommended as New Start studies. During the screening process the non-Federal sponsor and the water resource issue that may warrant Corps of Engineers investigation will be identified. A preliminary analysis will not be performed on a study until after a Feasibility Cost-Sharing Agreement (FCSA) is signed. Headquarters (HQUSACE), Division and District staff will participate in this screening process to identify appropriate non-Federal sponsors, potential Federal interest, and ensure that study authority exists in order to develop a viable portfolio of new start studies. The process for the single phase studies ensures Sponsor commitment upfront and quick determination of Federal Interest:

- a. Starting with the development of the FY17 Budget during the new start screening process, the Corps will discuss with the potential sponsor the single phase study process to ensure awareness and understanding of the requirement of signing a FCSA to initiate the study and obtain a Letter of Intent.
- b. Once a study is identified in the President's Budget as a new start study, the appropriate District will send a single phase Partnership Kit, which includes a model FCSA, to the identified sponsor.
- c. Once funds are appropriated/allocated for a study, the FCSA may be executed.
- d. Once the FCSA is signed, HQUSACE will allocate the funding to initiate the single phase study. The single phase study will follow the established SMART planning process and milestones. Prior to the Alternatives Milestone,

which usually occurs within the first six months, the Project Delivery Team (PDT) will verify Federal interest and conduct and document a preliminary analysis of the Federal interest and the rough order of magnitude of costs, benefits, and environmental impacts. If at any point during the Feasibility study it is determined that there is no Federal interest, the study will be terminated. Further, the study may be terminated at any point by either party consistent with the terms of the FCSA.

## MAINTAINING PLANNING EXPERTISE UNDER LIMITED BUDGETS

Subcommittee. For the second year in a row, the budget request includes less than \$40 million for individual study efforts. Are there any concerns that this level is not robust enough to sustain planning expertise within each District Office?

*If the answer is yes:* Have there been discussions on how to address those concerns? How do you intend to involve the Committee in those deliberations?

Assistant Secretary Darcy. The current work load of studies is sufficient to maintain the Corps' planning expertise.

Subcommittee. How does the need to maintain agency expertise in planning influence discussions on how many and which studies to propose as new starts in the budget request or to select as new starts in a work plan?

Assistant Secretary Darcy. The Corps has developed a rigorous process to identify studies that both have the highest likelihood for resulting in solutions for existing and emerging water resources needs across the Nation and that justify the Federal investment in those solutions. That process is not influenced by the need to maintain agency expertise in planning.

## PRECONSTRUCTION ENGINEERING AND DESIGN

Subcommittee. The preconstruction engineering and design, or PED, phase was intended to bridge the gap between the end of a feasibility study and the beginning of construction, which cannot commence until a project is authorized and receives a new start for funding. The Committee has heard concerns that the Administration has been changing the approach to the PED phase.

Does the budget include funding to initiate PED for any projects? If not, why?

Assistant Secretary Darcy. The FY 2016 Budget does not include funding to initiate PED on any projects. Funding for PED in the Budget was focused on those projects that have received a positive determination by the Civil Works Review Board and which meet the performance criteria established in the Budget for PED. There are a relatively large number of projects for which PED funding has been spent or even completed.

Subcommittee. What is the Administration's policy for funding PED?

Assistant Secretary Darcy. The Administration's general policy is to consider PED for funding in the Budget if projects have received a positive determination by the Civil Works Review Board and meet the performance criteria established in the Budget. These criteria help focus investments on projects that are more likely to be competitive for construction funding in future years.

Subcommittee. Please explain the benefits of expediting feasibility studies through the 3X3X3 process if no new PED phases will be started after completion of the feasibility phase?

Assistant Secretary Darcy. The completion of high-quality feasibility studies with shorter timeframes and lower costs provides the Nation with relevant information on solutions to our most pressing water resources challenges that foster economic development, environmental sustainability, and quality of life.

**FLOOD AND STORM DAMAGE REDUCTION****FY 2016 FUNDING**

Subcommittee. The Corps produces an information paper on Civil Works program statistics each year. This paper has consistently shown that average annual damages prevented by Corps projects run in the tens of billions of dollars and that every dollar invested has prevented more than \$7 in damages. The budget request, however, reduces funding for flood and storm damage reduction activities by \$327 million, or 20%, from the current year. It even reduces funding 4% below last year's budget request. What is the Committee to make of this significant reduction?

Assistant Secretary Darcy. The reduction between the FY 2016 Budget and FY 2015 enacted levels is a result of the "additional funding" for Flood and Storm Damage Reduction, Flood Control, and Shore Protection projects provided in the appropriation above the Budget. The FY 2016 Budget provides funding at an appropriate level to continue the construction, operation and maintenance of the Civil Works program's flood and coastal storm damage reduction infrastructure in order to continue to provide the flood damage prevention benefits provided by this infrastructure.

## FEDERAL FLOOD RISK MANAGEMENT STANDARD

Subcommittee. On January 30<sup>th</sup>, the President issued an Executive Order establishing a new Federal flood risk management standard. There have been strong concerns that the Administration issued this new standard without adequate, if any, input from the States, local communities, or other stakeholders. Was the Corps involved in the development of this new standard?

Assistant Secretary Darcy. The Army participated in Federal interagency activities as part of the Mitigation Framework Leadership Group (MitFLG). This working group was responsible for leading the revision of existing policy for agencies to follow when conducting Federal actions in a floodplain.

Subcommittee. If yes, what was the nature of that involvement?

Assistant Secretary Darcy. MitFLG member agencies were provided the opportunity to take part in the review process. The Army collaborated on this effort along with other partner Federal agencies.

Subcommittee. Was the Corps involved in soliciting views from Governors, mayors, or other stakeholders? If so, please detail the process used. For instance, was there a public notice soliciting input from everyone or was input limited to only a few stakeholders cherry-picked by the agency?

Assistant Secretary Darcy. No, the Army was not involved in the process of soliciting the views of Governors, mayors, or other stakeholders on the standard, and as a result, cannot offer any comments on how this process was designed and/or implemented.

Subcommittee. Were Corps funds used to support the development of this new standard? If so, how much funding and what was the source?

Assistant Secretary Darcy. Army participation on interagency activities led by the MitFLG was sourced as part of the Agency's commitment to take part in activities associated with the National Planning Frameworks, and were funded under GE (general expenditures) and FRM (flood risk management) funds, as is usual for these types of activities. The Army's involvement on this



effort was not separately funded.

Subcommittee. Was the Corps involved in developing or selecting the three alternatives for establishing the standard elevation and flood hazard area that are set out in the executive order? If so, please describe the scientific basis and any cost-benefit analysis that was conducted for each alternative.

Assistant Secretary Darcy. Consideration of alternatives for determining the area where agencies need to apply the existing EO 11988 decision-making process was accomplished through an interagency process facilitated by the MitFLG.

Recommended options for assessing alternatives for Federal actions in floodplains are consistent with projected scenarios for sea-level rise, and are consistent with findings and recommendations put forth in the North Atlantic Coast Comprehensive Study, recently released by the Corps. Between 1980 and 2013, the United States suffered more than \$260 billion in flood-related damages. The amended EO 11988 process is an effort to enhance the resilience of future Federal expenditures in floodplains. An analysis of costs and benefits was considered and shared within the Executive Branch.

## NORTH ATLANTIC COAST COMPREHENSIVE STUDY – LESSONS LEARNED

Subcommittee. The Corps recently issued the North Atlantic Coast Comprehensive Study that was called for in the Sandy Supplemental.

Some of the findings from this report sound awfully similar to the lessons supposedly learned after Hurricane Katrina – namely the need to use a comprehensive systems approach rather than stove-piped projects, that resiliency through a combination of measures undertaken by all levels of government is better than relying on one measure alone, that there will always be residual risk and that residual risk needs to be clearly communicated to everyone.

Is there a plan, or is a plan being developed, to incorporate these lessons into the Corps' national program? If so, please describe how these lessons will be incorporated and any specific funding requested in the budget to support those efforts.

Assistant Secretary Darcy. The Corps has been actively incorporating lessons learned from Hurricanes Katrina, Rita, Ike, Isaac, Irene, and Sandy, the floods of 2011, the drought of 2012, and other disasters through a variety of mechanisms. These lessons have extended across Corps responsibilities and activities, and have been influential in shaping the Civil Works Strategic Plan to include emphasis on systems approaches, risk informed decisions and communication, collaboration and partnering, adaptive management and state-of-the-art technology.

Many specific initiatives have been undertaken in this regard. In 2006 the Corps established the Actions for Change (AFC) Program in response to analyses of the performance of the Southeast Louisiana Hurricane Protection System as well as to other analyses internal and external to the Corps. The AFC program resulted in updated guidance for I-walls, vertical control, and accounting for changing sea levels, and is focused on how to update drought contingency plans to account for changing climate. The Corps dam safety and levee safety screening efforts (already under way at the time of Katrina) became full-fledged programs with improved and up-to-date methods and

processes to address life safety concerns around Corps infrastructure.

The Corps has been actively considering climate change impacts, vulnerabilities, and adaptation activities which has resulted in new policy, tools, and technical guidance. Transformation of the Corps Civil Works Planning program explicitly incorporates risk, and has also resulted in streamlined planning process that bring results sooner and at less cost.

The Corps Infrastructure Strategy and Asset Management programs benefit from these lessons learned as they address the important interconnections and complex systems impacted by the combination of aging infrastructure and budget prioritization.

Data, tools, processes and recommendations developed in The North Atlantic Coast Comprehensive Study (NACCS) are now available for broader use by the Corps and any entities involved in reducing coastal risk. States and local communities can immediately begin utilizing the tools provided by the NACCS, including the Framework, to understand their own vulnerabilities and risk management measures best suited for their unique challenges.

## MISSISSIPPI RIVER AND TRIBUTARIES

Subcommittee. It was only a few years ago that there was record flooding along the Mississippi River, and although there was significant damage from this flooding, the Mississippi River and Tributaries project prevented millions of dollars in additional damages. The fiscal year 2016 budget request, however, reduces funding for the MR&T account by 25 percent compared to the fiscal year 2015 level. It is even an 8 percent reduction from last year's budget request. Why was this account cut so drastically?

Assistant Secretary Darcy. The FY 2016 Budget focuses on the highest performing projects and programs within the three main water resources missions of the Corps: commercial navigation, flood risk management, and aquatic ecosystem restoration.

## FLOOD CONTROL AND COASTAL EMERGENCIES ACCOUNT

Subcommittee. The budget request includes a 21 percent increase for the Flood Control and Coastal Emergencies account. Can you please explain how the Corps uses funding in this account and specifically what will be accomplished with the proposed increase in funding for fiscal year 2016?

Assistant Secretary Darcy. The Flood Control and Coastal Emergencies (FCCE) account funds are used in preparation for emergency response to any natural disaster, in flood fighting and rescue operations, and for rehabilitation of flood control and hurricane or shore protection structures. The 21 percent increase will maintain current FCCE preparedness level of readiness. Activities to be accomplished in FY 2016 include training and exercises, coordination and planning efforts with local, State, and Federal partners, operations and maintenance of communication systems, inspections of non-Federal completed works, contract renewals to support missions for roofing, debris, power, and manning of Emergency Operations Centers.

**NAVIGATION – HARBOR MAINTENANCE TRUST FUND****PRIORITIZATION OF HARBOR MAINTENANCE ACTIVITIES**

Subcommittee. The Water Resources Reform and Development Act of 2014 included language aimed at guiding the prioritization of funding harbor maintenance activities. Has the Corps developed implementation guidance for this provision (section 2102) yet?

Assistant Secretary Darcy. The Corps has not completed implementation guidance for Section 2102.

Subcommittee. If not, when do you expect to complete this guidance?

Assistant Secretary Darcy. The Corps expects to complete the guidance this spring.

Subcommittee. The Committee has heard multiple views on how this section should be interpreted and implemented. Has the Corps heard the same and does that have anything to do with why guidance hasn't been issued to date?

Assistant Secretary Darcy. Section 2102 is complex and requires a rigorous drafting process and review effort. We solicited comments from stakeholders for all the WRRDA 2014 provisions as a part of our drafting of guidance process. As a part of the drafting effort for Section 2102 we are considering all of the comments received that were specific to the Harbor Maintenance Trust Fund in the draft of the guidance. The implementation guidance is being worked and will be published as soon as possible.

Subcommittee. Since you are still developing this guidance, is it safe to assume that the fiscal year 2016 budget request does not follow the section 2102 direction?

Assistant Secretary Darcy. The FY 2016 Budget does take into account some of the provisions of Section 2102 such as allocating not less than 10% of HMTF funds to emerging harbors.

Subcommittee. Do you expect future budget requests to be consistent with this section of law once the implementation guidance is finalized?

Assistant Secretary Darcy. Decisions on the Budget are made one year at a time.

**NAVIGATION – INLAND WATERWAYS TRUST FUND****FY 2016 BUDGET REQUEST**

Subcommittee. The budget request reduces capital investment in the inland waterways system by \$49 million, or 17 percent, from the fiscal year 2015 enacted level. Everyone agrees that there is critical work to be done on the system, so why was the decision made to cut funding in fiscal year 2016?

Assistant Secretary Darcy. The FY 2016 budget amount of \$232 million for Inland Waterways Trust Fund (IWTF) projects is \$63 million above the FY 2015 Budget amount of \$169 million and well above the \$160 million to \$180 million that has been budgeted for construction of IWTF projects in recent years.

Subcommittee. According to the New York Times, the Corps has estimated that it will take \$13 billion through 2020 to fix the inland locks. Given the economic and environmental consequences of shifting the equivalent of 51 million truckloads of goods moved on the river to our roads, why has this Administration not prioritized this work?

Assistant Secretary Darcy. The increase in the Budget amount for inland navigation from prior years demonstrates this work continues to be a priority for the Administration.

Subcommittee. Agriculture and concrete industries have been the hardest hit due to increasing delays on the inland waterways system. Has the Administration estimated the economic loss to the nation due to these delays?

Assistant Secretary Darcy. The Corps has not developed such an estimate.

Subcommittee. What additional work on the inland system could be done if funding stayed level? What kind of economic benefits would be derived from that extra investment?

Assistant Secretary Darcy. The balance at the end of FY 2016 is not large enough to justify a decision at this time to proceed with work on another project.



## USE OF IWTF REVENUES

Subcommittee. At the end of last year, the Congress passed and the President signed an increase to the fuel tax that is deposited in the Inland Waterways Trust Fund. It was one of those situations where industry fought to raise its own taxes because the capital improvements to be made with those funds are so important. Yet the budget request does not make use of those new revenues. In fact, the budget request does not even make use of all estimated revenues from the old fuel tax rate.

Why does the budget request not make use of a greater proportion of expected revenues in fiscal year 2016?

Assistant Secretary Darcy. The Administration increased spending for Inland Waterways Trust Fund projects in the FY 2016 Budget to \$232 million, an increase of \$63 million above the FY 2015 Budget amount. This is the appropriate amount. The Budget funds two projects — Olmsted Locks and Dam, Ohio River; and Locks and Dams 2, 3, and 4, Monongahela River — at the maximum level that the Corps estimated that it would be able to effectively and efficiently use in FY 2016. The balance at the end of FY 2016 is not large enough to justify a decision at this time to proceed with work on another project.

Subcommittee. Why did you actually reduce the amount of revenues to be used from the IWTF? Last year you requested \$84.5 million from the trust fund, but this year you are only requesting \$53 million even though revenues are expected to go up.

Assistant Secretary Darcy. The main reason the use of IWTF revenues decreases in the FY 2016 budget is because the Water Resources Reform and Development Act of 2014 decreases the IWTF share of funding for Olmsted Locks and Dam from 50 percent to 15 percent, which decreased the IWTF share of the project from \$90 million to \$27 million, saving \$53 million in IWTF revenues.

## BARGE FEE PROPOSAL

Subcommittee. Some folks have long suspected that the Administration's barge fee proposal was not a serious attempt to address the needs of our inland waterways, but rather was a gimmick used to offset additional spending elsewhere in the government. This budget request seems to confirm that view. The proposal would more than double what industry is already sending to the Federal government, yet the budget would use barely more than half of revenues already being collected under current law.

How do you justify this discrepancy?

Assistant Secretary Darcy. The Administration's legislative proposal would improve the way that the Federal government finances capital investments on these waterways. It would raise the additional revenue that will likely be needed to supplement the current fuel tax to facilitate funding these investments. The proposed legislation also includes an adjustment clause to keep the Inland Waterways Trust Fund balance from getting too high or too low.

The anticipated increase in the IWTF balance is expected to be temporary. It may last until Olmsted Locks and Dam construction is complete, but may not last that long, since the balance depends both on the level of the receipts and on the amount that the Corps spends each year.

Once construction of Olmsted is complete, the IWTF projects would draw 50 percent from the IWTF and spend down the balance in the IWTF. Once the balance is spent, construction of IWTF projects will be limited to approximately \$220 million per year (\$110 million General Treasury and \$110 million IWTF).

## FY 2015 ADDITIONAL FUNDING

Subcommittee. The fiscal year 2015 Act provided significant funding above the budget request for improvements to the inland waterways system. The work plan submitted to date left \$6 million unallocated. Can you please explain why you didn't allocate this funding and when you expect to allocate the remaining funds?

Assistant Secretary Darcy. These funds have not yet been allocated because a useful increment of work has not yet been identified for those funds. The remaining funds will be allocated coincident with identifying a useful increment or increments of work for those funds.

## RISKS OF FAILURE OF INLAND WATERWAYS PROJECTS

Subcommittee. What are the chances of failure at the other locks and dams in the inland waterways system? Will the Corps be able to operate them for the middle to long term without additional resources?

Assistant Secretary Darcy. The Corps has not performed an analysis on all its locks and dams to determine the risk of failure over time. Each year, the Corps identifies and the Budget includes funding for maintenance and/or major rehabilitation work to reduce this risk.

**NAVIGATION – GENERAL ISSUES****INNOVATIVE FINANCING FOR INFRASTRUCTURE IMPROVEMENTS**

Subcommittee. In mid-January, the Administration announced new steps that federal agencies are taking to bring private sector capital to certain infrastructure improvements. Port improvements were mentioned, but only in relation to Department of Transportation efforts; the Corps of Engineers was not mentioned. Is the Corps involved in those efforts in any way?

Assistant Secretary Darcy. The Corps is exploring innovative alternative financing approaches, including public/private partnership (P3) arrangements.

Subcommittee. The Corps has previously testified that it is pursuing innovative financing as part of the Civil Works Transformation Initiative. Please provide an update on any advances made in this area.

Assistant Secretary Darcy. The Corps has established a team to identify alternative financing demonstration projects that can be executed within existing authorities.

## ENVIRONMENTAL RESTORATION AND COMPLIANCE

### EVERGLADES RESTORATION STATUS UPDATE

Subcommittee. The budget request includes \$124 million for the Corps' role in Everglades Restoration. That represents more than 10 percent of the entire Construction account request. Can you please explain why the Administration places such a high priority on this program?

Assistant Secretary Darcy. The South Florida Ecosystem (Everglades) Restoration (SFER) Program continues to be a high priority for the Corps' Civil Works Program. The Everglades ecosystem encompasses some of the nations' most diverse and distinctive wetland landscapes, but is an ecosystem that continues to decline as a result of past Federal actions. The Comprehensive Everglades Restoration Plan (CERP) to restore the Everglades builds upon over a decade of investments amongst multiple state, local and Federal agencies. The Everglades restoration program continues to make great progress to restore this unique ecosystem and its endangered wildlife.

Subcommittee. What will be accomplished with the requested funding?

Assistant Secretary Darcy. The FY 2016 President's budget includes \$124 million for the SFER program which will allow the Corps to: (1) continue construction of the Central & South Florida (C&SF) CERP Indian River Lagoon South C-44 Reservoir; (2) continue construction of the C&SF CERP Picayune Strand project, including completion of the Faka Union Pump Station; (3) continue construction of the C&SF South Dade C-111 project; (4) complete the culvert work on the C&SF West Palm Beach Canal (C-51 Storm Treatment Area- 1E) project; (5) initiate construction on two of the three remaining contracts for the Kissimmee River Restoration Project; (6) initiate design efforts for the C&SF CERP Caloosahatchee (C-43) West Storage Basin; (7) initiate design efforts for the C&SF CERP Broward County Water Preserve Area; (8) initiate design efforts for the C&SF CERP Biscayne Bay Coastal Wetlands; (9) execute a Project Partnership Agreement for the C&SF CERP: C-111 Western Spreader Canal; and (10) continue other engineering, design, and program management, including adaptive assessment and RECOVER (Restoration Coordination and Verification) efforts on CERP.

Subcommittee. If annual funding remains consistent with this level, how long will it take to complete the restoration effort?

Assistant Secretary Darcy. The remainder of early Everglades ecosystem restoration projects, or non-CERP projects, are scheduled to be completed in 2019. Future projects to be constructed consist primarily of projects identified in the 1999 feasibility report that produced the CERP. Many of the CERP projects envisioned still require completion of Project Implementation Reports and/or require congressional authorization, reflecting a level of uncertainty in projecting implementation schedules. If remaining CERP projects do not change substantively as they go through final development and authorization and future funding levels were limited to approximately \$125 million per year, it is estimated that it could take an additional 40 years to complete the remainder of restoration efforts envisioned in the CERP.

## ASIAN CARP – GLMRIS

Subcommittee. Last year, the Corps released its Great Lakes and Mississippi River Interbasin Study, which looked at possible alternatives for preventing the spread of aquatic nuisance species from one basin to the other through aquatic pathways. This study included eight alternative plans, but did not select a recommended alternative. Additionally, it was made clear that the Corps does not believe this study represents enough information for Congress to make an authorization decision.

Can you please briefly describe any activities undertaken since last year's hearing?

Assistant Secretary Darcy. After release of the GLMRIS Report in January 2014, the Corps conducted a significant amount of public engagement to include eleven public meetings, seven state agency meetings, two briefings to Canadian stakeholders, and several other dedicated informational briefings. The Corps also accepted public comments on the GLMRIS Report, and summarized those comments and transcripts from the public meetings on the project website. This engagement of stakeholders was a critical next step in efforts to identify and build consensus toward a collaborative path forward.

Based on the evaluations presented in the GLMRIS Report and in response to stakeholder input, the Assistant Secretary of the Army (Civil Works) directed the Corps to proceed with a formal evaluation of potential control technologies to be applied in the vicinity of the Brandon Road Lock and Dam, located near Joliet, Illinois. The scoping process is underway for a feasibility-level decision document to support an agency decision that could provide the basis for further action. To that end, the Corps hosted three public meetings as part of the scoping process. A public comment period on the proposed GLMRIS-Brandon Road effort closed on January 31, 2015. Comments are currently available on the GLMRIS website. A comment summary report will be posted to the website this spring.

Subcommittee. Has the Administration determined any next steps on this issue?

Assistant Secretary Darcy. The next steps are to complete the scoping of



the feasibility-level decision document and to then begin the new study effort with funds that were carried into FY 2015 in conjunction with additional funds that were appropriated in FY 2015.

## ASIAN CARP – INTERIM MEASURES

Subcommittee. The Water Resources Reform and Development Act of 2014 included permanent authority for interim measures to prevent the spread of aquatic nuisance species into the Great Lakes. Does the fiscal year 2016 budget include funding for any such interim measures?

Assistant Secretary Darcy. No interim measures have been identified that require funding in the Fiscal Year (FY) 2016 Budget. The FY 2016 Budget includes funding to complete construction on the Chicago Sanitary and Ship Canal Dispersal Barrier project as well as for continued operation and maintenance

## ASIAN CARP – CHICAGO SANITARY AND SHIP CANAL DISPERSAL BARRIER

Subcommittee. The budget request includes funding to complete the Chicago Sanitary and Ship Canal Dispersal Barrier project. Can you please discuss the benefits of this project? How significant will it be in reducing the risk of the spread of Asian Carp to the Great Lakes?

Assistant Secretary Darcy. The dispersal barriers are designed to deter the establishment of Asian carp and other aquatic nuisance fish in the Great Lakes and Mississippi River basins through an electric field in the water. As part of the project, the Corps conducts laboratory and field research to continually evaluate and improve the efficacy of the barriers, such as the continuing evaluation of the optimal operating parameters to deter very small fish. These efforts are believed to be significant in reducing the risk of Asian carp establishing a self- sustaining population in Lake Michigan, as evidenced by a multiagency Asian carp monitoring program conducted within the Chicago Area Waterway System (CAWS).

## **PROGRAM AND PROJECT MANAGEMENT**

### **CREDIT FOR WORK PERFORMED BY NON-FEDERAL SPONSORS**

Subcommittee. The Water Resources Reform and Development Act of 2014 included several provisions related to providing credit for work performed by non- federal sponsors. Some of these provisions even allow for credit to be applied across projects. Has the Corps developed implementation guidance for these provisions yet?

Assistant Secretary Darcy. The Corps has gathered public input on the WRRDA 2014 provisions and is in the process of developing implementation guidance.

Subcommittee. How will the Corps address the issue of credit across projects so that the agency and this Committee can make informed funding decisions?

Assistant Secretary Darcy. The Corps is working to develop guidance that addresses crediting across projects. Application of excess credit to another project will increase the need for Federal funding for the "receiving" project. This increased need will have to be considered as part of the funding and priority setting process.

## FY 2015 NEW CONSTRUCTION STARTS

Subcommittee. The fiscal year 2015 Act allowed the Corps to select up to four new construction starts, but required two affordability analyses before work could commence. When can the Committee expect to receive those analyses?

Assistant Secretary Darcy. The analyses are under development and will be provided as soon as possible.

Subcommittee. Is the affordability factor impacting your selection of new projects? If so, how?

Assistant Secretary Darcy. Yes, each new start construction project was assessed based on its affordability, per the Explanatory Statement accompanying the 2015 Act.

Subcommittee. The Act also required project partnership agreements with the local sponsors to be signed no later than August 31, 2015. Will the Corps meet that deadline for all four projects selected?

Assistant Secretary Darcy. Yes.

Subcommittee. If so, when will the requests for proposals for construction contracts be released?

Assistant Secretary Darcy. Subject to timely execution of the project partnership agreements, the scheduled solicitation dates for the contracts are as follows:

Grays Harbor, Washington: May 2015

Topeka, Kansas: August 2015

Greens Bayou, Texas: August 2015

Louisiana Coastal Area (Beneficial Use of Dredged Material), Louisiana: April 2015 (contract modification)

## MISCELLANEOUS

### WRRDA IMPLEMENTATION

Subcommittee. The Water Resources Reform and Development Act of 2014 included many new or modified authorities and directives for the Corps of Engineers. Can you please describe for us the Corps' process for implementing these provisions?

How does the agency prioritize the development of implementation guidance? What do you believe is the appropriate role of this Committee in that prioritization process?

Assistant Secretary Darcy. Each provision in the law was reviewed to determine the nature of the provision and its priority (high, medium, low) in terms of implementation. In general, those provisions that directly impact (change) existing policies and procedures; impact the Corps nationwide; and those project-specific provisions that impact ongoing, currently funded projects have been given a high priority.

Provisions that have no immediate impact on any ongoing activities, but which need to be addressed have been given a medium priority. Provisions for which funding is required before action can be initiated have been given a low priority for implementation guidance. Funding for these provisions will be considered during the annual budgeting process. As funding becomes available, the priority of the affected provision would be elevated and the implementation guidance is prepared according to the assigned priority.

In prioritizing the writing of the guidance we have taken into consideration all the comments received from stakeholders, congressional members and the Committee's and are making the determination on priority as discussed above.

Subcommittee. How is it determined which provisions require specific funding prior to implementation and which provisions can be implemented with existing funding?

Assistant Secretary Darcy. Each requirement was reviewed on a case-by-case basis by the subject matter expert and a determination was made as to the resources that will be required to meet the reporting requirement. In some

cases the Subject Matter Expert will work with others with outside knowledge/expertise or do additional data collection and analysis to determine the associated costs, and whether there are resources available within existing appropriations and authorities to pay those costs. Four examples of how the Corps reached specific determinations are below.

1. For the Section 7001 report, the data used for the report came directly from non-Federal sponsors. It was not data that needed to be generated by the Corps. The Corps aggregated the information into a database and reviewed it against the required criteria. General funds were already available for the collection and review of the data.
2. Regarding the report on the Capital Investment Program (Section 2002 (d)), the Corps started working on this report prior to the passage of WRRDA and funding had already been factored into the Construction budget to accomplish that effort.
3. Section 1045 is an example where additional funding will be required. This provision directs the Corps to assess the effects of drought conditions on lakes managed by the Corps that are affected by FERC licensed reservoirs. This requires an assessment of lake levels and rule curves in areas of previous, current and prolonged drought, and the effect of FERC licenses on the ability of the Corps to manage these lakes. This type of data and analysis is not readily available and would require appropriations above normal operating responsibilities to fund.
4. A final example is Section 5014, which requires the development of a pilot program to evaluate cost effectiveness and project delivery effectiveness of non-Federal applicants carrying out authorized water resources development projects. This program is specific limited by Section 5014(c) to funds available from subsequent appropriations acts.

## IMPACTS OF DROUGHT CONDITIONS

Subcommittee. Drought conditions persist across much of the West and Southwest, with California seeing the most extreme conditions. What kind of impacts to Corps facilities or operations are you seeing as a result of this drought?

Assistant Secretary Darcy. The major impact to operations is reduced recreational activities. Estimated visitation is down by up to 30%. Water management operations, typically directed by the U.S. Bureau of Reclamation, or other agencies that control allocations and deliveries, are reduced.

Subcommittee. Will funding requirements in fiscal year 2015 or 2016 be affected?

Assistant Secretary Darcy. Although O&M budgets remain constrained, the Corps does not anticipate any additional funding needs for drought related activities.

Subcommittee. How is the Corps handling requests from local interests to modify the operating procedures of projects with water storage?

Assistant Secretary Darcy. The Corps' deviation process allows short-term flexibility to safely adjust reservoir operations to meet current conditions for floods and droughts. To date, the Corps has received three deviation requests. The Corps implemented temporary deviations to operations at Whittier and Prado Dams during the drought which has allowed the maximum capture of over 22,000 acre feet of water; the request for Coyote Dam/Lake Mendocino is still under review due to complex ESA and environmental issues.

Drought-related deviations generally seek additional water storage in the reserved flood space. Most Western dams have seasonal flood space during the winter and spring, and allow full use of reservoir space for water storage in the summer and early fall. Since most storage levels are far below flood storage levels, the Corps doesn't anticipate many additional deviation requests without significant amounts of precipitation.



## FUSRAP

Subcommittee. The Army Corps issued a draft RFP in 2012 to again begin remediation of the Parks Township Shallow Land Disposal Area FUSRAP site. As of today, an RFP has yet to hit the street, although the Committee has heard you are on track to have this out by September of this year. The Committee has been made aware of concerns regarding how this project might be contracted and the provisions that may, or may not, be included.

The Corps has recognized the complexity on the site and the potential for exposure to hazardous radioactive materials, as exemplified by the significant increase in the cost estimate. Clearly, this project has considerations that are not typical for a FUSRAP project. What are you doing to ensure that the contract is structured in such a way to ensure the RFP results in a pool of qualified contractors with expertise in managing highly technical projects of this size and scope?

Assistant Secretary Darcy. The Corps intends to issue a single award contract to provide the flexibility needed to promote continuity of operations and the safe remediation of the contaminated material located at the Shallow Land Disposal Area. Technical experience and past performance on similar projects will be primary factors in the evaluation of qualified bidders. The contract will include the ability for the Corps to award both cost-reimbursable and fixed-price task orders based on the difficulty of the requirement and any changing site conditions. This will assist in reducing risk for the selected contractor and place an emphasis on safety over production.

Subcommittee. Have you worked with the Department of Energy on the appropriate provisions for the contract to ensure that we are maximizing the Government's experience and expertise?

Assistant Secretary Darcy. The Corps has a signed Memorandum of Understanding (MOU) with its Federal partners who have a role in the SLDA project. The agreement is between the Corps and the Department of Energy-Office of Environmental Management (DOE-EM), the National Nuclear Security Administration and the Nuclear Regulatory Commission. This agreement describes the roles and responsibilities of each agency regarding

SLDA and will guide the coordination and communication efforts during the project. The Corps will work closely with its Federal partners throughout the project, including the contract proposal review and award process to take advantage of their significant experience and expertise.

Subcommittee. The entire budget request for FUSRAP in fiscal year 2016 is \$104 million. This single project will run approximately \$35 million over ten years or \$70 million over five years. The federal government has an obligation to remediate these sites in a timely manner, yet \$104 million seems to barely scratch the surface given the magnitude of obligations. Should the Administration be devoting more resources to bringing these sites to closure, particularly with respect to this project given the scope?

Assistant Secretary Darcy. The level in the Budget is appropriate based on the needs of this program and other programs nationwide.

**QUESTIONS FROM RANKING MEMBER KAPTUR OF OHIO****PORT OF CLEVELAND**

Ms. Kaptur. If the Corps proposed an action that was not consistent with the state Coastal Management Plan, which prevails – the federal standard or the CMP? And Why?

Assistant Secretary Darcy. The Corps would not propose an action that is not consistent with the Coastal Zone Management Act. In setting the Federal Standard for the discharge of dredged material into waters of the United States, the Corps is required to comply with all applicable substantive legal requirements including those set by Sections 401 and 404 of the Clean Water Act and Section 307 of the Coastal Zone Management Act. The Corps evaluates the science and conducts a thorough analysis. However, the Corps will only set a Federal Standard and propose an action that is compliant with existing statutes and their implementing regulations.

Ms. Kaptur. There has been a great deal of discussion between the relevant parties regarding 2015 dredging at the Port of Cleveland. What is being done to ensure that dredging in Cleveland will happen in 2015?

Assistant Secretary Darcy. At this time, the Corps plans to dredge the lower 5 miles of the Cuyahoga River Federal Navigation Channel and confine the sediment within the Federally-operated CDF at full Federal cost. The Corps will assist Cleveland's Port Authority to dredge the final uppermost mile of the channel if they are able to identify an appropriate partner who can pay for increased costs compared to the Federal Standard.

Ms. Kaptur. The Corps has taken the position that the difference in cost between putting the dredged material into Lake Erie and its placement in a confined disposal facility (CDF) must be paid by the non-federal partners, even though Ohio EPA does not believe that the dredged material is suitable for open lake placement and is unlikely to issue a 401 permit. What is the Corps' plan for moving forward for both short-term and long-term dredging at the Port?

Assistant Secretary Darcy. At this time, the Corps plans to dredge the lower 5 miles of the Cuyahoga River Federal Navigation Channel and confine the sediment within the Federally-operated CDF at full Federal cost. The Corps will assist Cleveland's Port Authority to dredge the final uppermost mile of the channel if they are able to identify an appropriate partner who can pay for increased costs compared to the Federal Standard.

The Corps will continue to work with Cleveland Harbor stakeholders to identify long-term dredge sediment management alternatives.

Ms. Kaptur. A recent study by the Ohio EPA of core sediment samples from the Cleveland ship channel shows that the average bulk phosphorus content is 1.54 times higher in the Cleveland ship channel sediment than in Toledo. This is the sediment that in part the Corps wants to dispose of in Lake Erie, which could be expected to increase the risk of algae bloom in Cleveland. Will the Corps be taking this into account as it moves forward on its short- and long- term dredging plans?

Assistant Secretary Darcy. Yes. Pursuant to Section 404 of the Clean Water Act and Corps responsibilities to administrate and determine compliance of dredged material discharges with Section 404(b)(1) Guidelines developed by the U.S. Environmental Protection Agency (USEPA), the Corps is required to evaluate and determine whether the discharge of dredged sediment would result in unacceptable, adverse effects to the affected aquatic ecosystem. Therefore, the Corps is duly concerned about Lake Erie Harmful Algae Bloom (HAB) events and the factors in their development. To that end, water quality modeling and evaluation of the potential of this discharge to influence Lake Erie HABs was performed and is addressed in the Section 404(b)(1) Evaluation and other related documentation provided to Ohio EPA. Conservatively using dissolved total phosphorus concentrations data from sediment elutriates, it has been determined that the open-lake placement of Upper Cuyahoga River Channel sediments would have no potential to induce HABs.

Ms. Kaptur. The Corps' late 2014 review of its environmental testing, including the level of PCBs in the sediment, confirmed earlier testing and resulted in the Corps' current position that open lake placement is not expected

to result in significant adverse environmental impacts. However, Ohio EPA Director Craig Butler has stated that the dredged material could escalate PCB levels in fish in Lake Erie by 10 to 20 percent. Will the Corps take the Ohio EPA's position on the contaminant levels of the sediment into account as it continues to push forward for open lake placement?

Assistant Secretary Darcy. Yes.

## GREAT LAKES NAVIGATION SYSTEM

Ms. Kaptur. How has the designation of the Great Lakes as a single navigation system changed the Corps' approach to managing and maintaining Great Lakes ports and connecting channels?

Assistant Secretary Darcy. The designation has not changed the Corps approach to managing and maintaining these ports and connecting channels. The Corps recognizes that many of the commercial navigation projects on the Great Lakes, as well as the channels that connect each of the Great Lakes to the other, are interconnected economically. The Corps uses a risk-based approach to prioritizing their maintenance, with a view towards promoting reliability of the overall system.

**QUESTIONS FROM CHAIRMAN ROGERS OF KENTUCKY****RECREATION MISSION OF THE CORPS**

Chairman Rogers. The U.S. Army Corps of Engineers is tasked to leverage our Federal investment for the use and enjoyment of the local communities. This recreation mission is critically important to so many communities, for example, Lake Cumberland – which is the economic lifeblood of a multi- county region. Congress provided the Corps with clear direction in Section 1035 of Public Law 113-121. By law, the Corps cannot preclude from Corps lakes, any vessel that is in compliance with regulations for recreational vessels issued under chapter 43 of title 46, United States Code, and section 312 of the Federal Water Pollution Control Act. Is the Corps fulfilling its recreation mission in the development of regulations pursuant to Section 1035 of PL 113-121?

Assistant Secretary Darcy. The Corps is in the final stages of preparing implementation guidance that is within the parameters of Section 1035 of WRRDA 2014. The health and safety of recreation users is paramount. The Corps is not developing new health and safety guidance, but rather incorporating existing health and safety standards into the guidance. The Corps is striving to do everything within the parameters of Section 1035 to ensure floating cabin users are not injured or killed by fires, electrical malfunctions or sinking of vessels.

Once reviewed and approved by the Assistant Secretary of the Army for Civil Works, the policy will be released to the public and to the Nashville District for implementation. In addition, the Nashville District will notify applicable marina operators of the policy and distribute it accordingly. Marina operators will also be extended the opportunity to meet with the Project Manager and any other District personnel concerning questions and direction on submitting requests to expand their marina outgrant to include floating cabins and/or concerning new marina proposals to include floating cabins.

Chairman Rogers. The Corps' organizational structure – with district level commanders – provides the organization with the opportunity to work with local communities on recreational opportunities.

How does the Corps direct those in the District offices to engage with locals to perform its recreation mission?

Assistant Secretary Darcy. Engagement with local communities is generally not accomplished at the District level, except in cases where there are District-wide decisions or issues (e.g. floating cabins). Engagement of local communities (and other agencies, organizations, etc.), is the responsibility of the Corps personnel at each project in the recreation program. Corps direction for engagement is multi-faceted and comes from policies, regulations, the Recreation Strategic Plan, and other programs initiated at the national level (e.g. AGO, Every Kid in a Park, etc.). National direction usually flows from Headquarters to Divisions to Districts to Projects. The Corps emphasizes engagement with local communities on many recreation decisions, especially when changes need to be made, including to help assist in the delivery of recreation when there is interest on their part and benefits to the project.

Chairman Rogers. What sort of stakeholder engagement has taken place with respect to this WRRDA provision on floating cabins? Does the Corps have any further plans to involve stakeholders in this process?

Assistant Secretary Darcy. In the fall of 2014, the Corps held a series of three listening sessions for government entities and the public to learn about and/or express their concerns or issues on any section of WRRDA 2014. The Corps also extended the offer of accepting, considering and addressing any concerns of marina operators or other constituents, but no comments were received. Corps personnel are available to meet with the marina operators to review and answer questions concerning implementation of the policies.

Chairman Rogers. When can the Committee expect this burgeoning industry to start creating new jobs and opportunities around Lake Cumberland?

Assistant Secretary Darcy. The Corps is in the final stages of preparing implementation guidance that is within the parameters of Section 1035 of WRRDA 2014.



## SECTION 404(C) PERMITTING

Chairman Rogers. By law, the Corps holds the primary authority to issue Section 404 permits. However, in recent years, EPA has been empowered to claim veto authority under Section 404 (c). Without any discernible criteria governing EPA's claimed authority, EPA's retroactive denial of a lawfully issued permit has destroyed the essential element of permit uniformity. It's eliminated certainty for a whole slew of industries that need permits. Now that the Corps is expanding its authority over even more waters, what impact will EPA's actions have on investment in U.S. property and natural resource development?

Assistant Secretary Darcy. Section 404(c) of the Clean Water Act (CWA) authorizes EPA to prohibit the specification (including the withdrawal of specification) of any defined area as a disposal site, and to deny or restrict the use of any defined area for specification (including the withdrawal of specification) as a disposal site, whenever EPA determines, after notice and opportunity for public hearings, that the discharge of such materials into such area will have an unacceptable adverse effect on municipal water supplies, shellfish beds and fishery areas (including spawning and breeding areas), wildlife, or recreational areas. EPA regulations at 40 CFR Part 231 implementing Section 404(c) state that EPA may "exercise a veto over the specification by the Corps or by a state of a site for the discharge of dredged or fill material. The Administrator may also prohibit the specification of a site under section 404(c) with regard to any existing or potential disposal site before a permit application has been submitted to or approved by the Corps or a state." This is not a change from current policy, so there should be no discernable change in non- Federal decision-making due to Section 404(c).

Chairman Rogers. In several cases, the EPA has issued a Section 404 veto after the permit has been issued by the Corps. If federal jurisdiction over waters is expanded, this raises additional concerns about the impact of EPA's supposed authority under Section 404(c) to retroactively veto permits. Presumably, it is possible that permits could be subject to EPA's veto even years after issuance and even if the permittee is in full compliance. What would the practical effect on businesses be if permittees were subjected to this sort of regulatory program?

Assistant Secretary Darcy. EPA has utilized its veto authority 13 times since 1972 out of an estimated 1.5 million authorizations. Applicants can rely on Department of the Army permits with a great degree of confidence. The 13 times the EPA exercised its veto authority were not unanticipated as the proposed activities had been controversial and complex. The Corps is not in a position to speculate as to the potential impacts that future veto actions by EPA could have on investments or development decisions by businesses in the United States.

Chairman Rogers. Industry has had to challenge these retroactive vetoes in court and now it appears they may even have to challenge preemptive vetoes of permits that have not even been approved by the Corps. The ability of EPA to retroactively, or even preemptively, veto a Section 404 permit creates tremendous uncertainty across the board, and directly undercuts the Corps role in the permitting process. How does the Corps respond to what seems to be a blatant subversion of the Corps' authority by the EPA, an agency that should be a partner in this process?

Assistant Secretary Darcy. The Corps will continue to operate within the framework and roles established in the CWA, the implementing regulations under the CWA, and consistent with relevant Court decisions.

## FILL MATERIAL

Chairman Rogers. Both EPA and the Corps have in the past indicated that they are considering revising the joint regulatory definition of fill material.

Are the Corps and EPA still considering making potential changes to the definition of fill material?

Assistant Secretary Darcy. The Corps currently has no plan or schedule to move forward with rulemaking to revise the CWA regulatory definition of the terms “fill material” and “discharge of fill material”. Additionally, Section 109 of the Energy and Water Development Act, 2015, Division D of the Consolidated and Further Continuing Appropriation Act, 2015, prohibits funds being used by the Corps of Engineers to develop, adopt, implement, administer, or enforce any change to the regulations pertaining to the definitions of the terms “fill material” or “discharge of fill material” for the purposes of the Federal Water Pollution Control Act.

Chairman Rogers. Are the Corps and EPA considering changing/updating/modifying/reinterpreting the regulatory requirements applied to discharges of fill material?

Assistant Secretary Darcy. No; the statutory provisions under the CWA will remain in effect as to when discharges of dredged and/or fill material into waters of the U.S. would require authorization, including those discharges that are exempt under section 404(f)(1). In addition, the Corps currently has no plan or schedule to move forward with rulemaking to revise the regulatory definition of the terms “fill material” and “discharge of fill material.” Certain discharges of dredged and/or fill material into waters of the U.S. with no more than minimal adverse effects to the aquatic environment are authorized under the Nationwide General Permit (NWP) program. The NWPs will undergo rulemaking in order to reissue them before they expire in 2017; this effort will begin in 2015.

Chairman Rogers. Have any decisions been made regarding whether or not EPA and the Corps will move forward to amend the definition or change the regulatory requirements?

Assistant Secretary Darcy. Please see responses above.

Chairman Rogers. What is the timing for any potential future rulemaking on the definition of fill material?

Assistant Secretary Darcy. Please see responses above.

Chairman Rogers. What specific problems with the current fill material rule have prompted EPA and the Corps to examine changing the definition?

Assistant Secretary Darcy. The U.S. Supreme Court noted in *Coeur Alaska v. SEACC*, 129 S.Ct. 2458 (2009) that EPA's and Corps' regulations fail to fully resolve statutory ambiguity regarding the definition of "fill material." The EPA and the Corps considered, in the past, a rulemaking to clarify the statutory ambiguity regarding discharges of fill material that also have an Effluent Limitation Guideline or New Source Performance Standard. The Corps currently has no plan or schedule to move forward with rulemaking to revise the definitions of "fill material" and "discharge of fill material".

Chairman Rogers. What potential language are the agencies considering to address such issues?

Assistant Secretary Darcy. The Corps currently has no plan or schedule to move forward with rulemaking to revise the definitions of "fill material" and "discharge of fill material".

Chairman Rogers. EPA staff have alluded that EPA in 2009-2010 developed ideas for revisions to the definition of fill material joint rulemaking. What potential language did EPA consider in 2009-2010?

Assistant Secretary Darcy. The Corps cannot speak as to what EPA may have considered in 2009-2010.

**QUESTIONS FROM MR. CALVERT OF CALIFORNIA****MURRIETA CREEK FLOOD PROTECTION PROJECT**

Mr. Calvert. General Bostick, as a follow-up to my question regarding the Murrieta Creek Flood Protection project, will you be allocating funding from the remaining unallocated FY 2015 Work Plan funds to enable the Corps to complete the review and approval of the Limited Re-evaluation Report by the third quarter of 2015, which is the schedule you indicated in your response at the hearing?

General Bostick. The Army is in the process of considering additional funding needs in FY 2015 with unallocated appropriated funding. One of the projects under consideration is the Murrieta Creek Flood Protection Project Limited Re-evaluation Report.

Mr. Calvert. In addition, I also noted that the Murrieta Creek project is moving forward with construction of Phase II using accelerated funding from the local sponsor. As you know, this project is critical to the community, which has remained vulnerable to flooding far too long as a result of delays in implementing the Murrieta Creek project. The Corps, Riverside, and I made a commitment to the community to move this project forward. Will the Corps be allocating \$8.5 million construction general funding from the remaining unallocated FY 2015 Work Plan funds to allow the Corps to complete construction of Phase II of the project?

General Bostick. Because the project currently maintains a low benefit to cost ratio, the Corps must first complete the Limited Re-evaluation Report prior to considering this project for additional construction funding.

**QUESTIONS FROM MS. HERRERA BEUTLER OF WASHINGTON****COWLITZ RIVER**

Ms. Herrera Beutler. We face significant flood risks to communities along the Cowlitz River, such as Longview, Kelso, Lexington and Castle Rock in Southwest Washington. Build-up from the massive amount of silt and ash from Mt. St. Helens traveling down the river can cause flooding at any time. Unfortunately, both the work plan and the FY 2016 request zero-out existing efforts to monitor and assess flood risk. The Corps is supposed to be determining construction actions necessary to reduce flooding in this area. How can that happen with no money this year and no money next year?

Assistant Secretary Darcy. Funding was not included in the FY 2015 Work plan or the FY 2016 Budget pending completion of the Limited Reevaluation Report (LRR) that was funded to completion in FY 2014.

## HARBOR MAINTENANCE PRIORITIZATION

Ms. Herrera Beutler. WRRDA had several great reforms geared toward harbor maintenance activities. Specifically, section 2102 calls for the prioritization of harbor maintenance. That doesn't appear to be reflected in the work plan or the request. Does the Corps intend to implement this portion of the law? Is there something preventing it from happening that the committee can work with you on?

Assistant Secretary Darcy. The Corps followed Congressional direction provided in Section 105 of the Energy and Water Development and Related Agencies Appropriations Act, 2015, Division D of the Consolidated Appropriations and Continuing Appropriations Act, 2015, when allocating funds in the FY 2015 Work Plan. Both the work plan and the FY 2016 Budget do take into account some of the provisions of Section 2102 such as allocating not less than 10% of HMTF funds to emerging harbors.

## PERMITTING PROCESS

Ms. Herrera Beutler. We have a permitting problem in Washington State. It has gotten better over the past couple of years, but it is still very much a problem. In many cases we have builders sitting on land for years waiting for Corps permits. This costs them tens-of-thousands of dollars and sometimes more:

Section 214 permitting which was originally established in the 2000 WRDA bill has proven to be a benefit, particularly to our ports who love it. That is one of the reasons we fought so hard to make it permanent last year. The only negative thing I ever hear about 214 is the misconception that the program allows people to “buy” their permits or skip certain stages of the process. Would you mind clearing that up for us? Is the 214 process any different from non-214 permits?

Assistant Secretary Darcy. The authority granted under Section 214 of the Water Resources Development Act (WRDA) of 2000, as amended, does not allow entities to “buy” a permit or alter the permit evaluation and environmental review process. The process is the same whether a permit is evaluated using the section 214 or not. Maintaining impartial decision making is of utmost importance to the Corps of Engineers in implementing this provision. The Corps’ implementing guidance for Section 214 states that “any procedures or decision that would otherwise be required for a specific type of project or permit under consideration cannot be eliminated,” to ensure that steps cannot be “skipped” or “shortened” by evaluators who are funded via 214 agreements. In addition, the implementing guidance also requires internet posting of permit decisions made under a 214 agreement, and a one-level-higher review by someone who is not funded by a 214 agreement of all permit decisions to ensure impartial decision making is preserved.

Ms. Herrera Beutler. One of the problems causing slow application response time in my area is the fact that our guys must go through the Vancouver Corps office who then has to send everything to Seattle where it is then put in the pile with all of the other permits they’re dealing with. We’ve seen in Oregon that the Corps has put a section Chief in Eugene, so decisions can be made without having to send everything back to Portland. Would you



be willing to assist us in getting decision makers spread out, so we can more efficiently spend our time and the taxpayer money this committee appropriates?

Assistant Secretary Darcy. The Seattle District has delegated signature authority to the project managers in the Vancouver field office for a number of actions, which results in approximately 80-90% of final actions being completed there. These delegated actions include nationwide permits and letters of permission, which do not require review by the District office, unless project specific matters necessitate coordination with the district office. Only standard individual permits, representing less than 10% of the final actions, are required to be reviewed and approved at the District office.

Average processing time in Seattle District's Vancouver Field Office is currently 132 days for nationwide permits and 411 days for individual permits; representing an 18.5 and 32 percent reduction in processing times since 2008.

Ms. Herrera Beutler. It is my understanding that for a few years after Section 214 was established cities were actually able to fund a position and allowed builders to utilize that position to get their permits processed. Why has that stopped, and do you believe we could once again allow that to happen?

Assistant Secretary Darcy. In the 2006 timeframe, the Corps became aware that some municipalities were requesting that applications for private development proposed by other entities be reviewed under their Section 214 agreements. In response, Corps Headquarters notified districts that this practice was inconsistent with Corps guidance, which required that the agreements be used for projects proposed by non-Federal public entities and that those projects would be public projects. Further, Public Law 111-315 amended Section 214 to limit the authority to, "expedite the evaluation of a permit of that entity related to a project or activity for a public purpose under the jurisdiction of the Department of the Army." The Corps has interpreted this language to preclude municipalities and other non-Federal public entities from using the Section 214 authority to expedite the evaluation of projects proposed by other entities and for private development.

Ms. Herrera Beutler. Washington State leads the country in the

production of farmed shellfish. The industry directly and indirectly employs over 3,200 people in rural areas and generates \$270M of economic activity annually. Willapa Bay alone produces in the neighborhood of 25% of the nation's oyster crop. It is my understanding that the Seattle District is proposing nearly 30 permitting conditions that could have a major effect on our shellfish farms. Will you please explain the purpose and reasoning behind these conditions?

Assistant Secretary Darcy. Many aquaculture activities trigger the need for a Department of the Army permit under Section 10 of the Rivers and Harbors Act and/or Section 404 of the Clean Water Act. Any permit issued by the Corps must be in compliance with Section 7 of the Endangered Species Act (ESA) and the Magnuson-Stevens Fishery Conservation and Management Act on Essential Fish Habitat (EFH). The current process for ensuring ESA/EFH compliance requires individual growers to provide the Corps project specific biological evaluations to inform individual ESA/EFH consultations with the U.S. Fish and Wildlife Service (USFWS) and the National Marine Fisheries Service (NMFS). To streamline the consultation process, the Corps has entered into a programmatic consultation with both the USFWS and NMFS.

The goal for the programmatic consultation is to produce a single, consolidated consultation covering the majority of regulated activities in association with commercial and restoration shellfish activities. The current version of the programmatic consultation builds upon a previous programmatic consultation that expired in 2012. It is correct that the draft programmatic biological assessment includes nearly 30 conditions that have been developed as a result of interagency coordination, and which are necessary to ensure compliance with the Endangered Species Act and the Magnuson-Stevens Fishery Conservation and Management Act.

The District estimates approximately 90 percent of the shellfish aquaculture actions will likely be covered by the programmatic consultation that is being conducted now, and which is expected to be completed in the next few weeks. The District will conduct outreach events once the programmatic Biological Opinion is finalized to ensure there is clarity on what is covered by the programmatic consultation and what activities would require additional consultation on a project-specific basis. The completed PBA will be able to be

utilized as a reference for additional consultation(s). This will reduce the time and effort needed to complete required ESA/EFH consultations for those activities that do not fall under the programmatic consultation.

## COLUMBIA RIVER TREATY

Ms. Herrera Beutler. The ‘U.S. Entity Regional Recommendation for the Future of the Columbia River Treaty after 2024 includes the following language – “The United States should pursue post-2024 Treaty flood risk management through a coordinated operation plan that provides for an acceptable level of flood risk. Unless modified based upon future review of flood risk management policy for the Columbia River, the level of risk will be similar to the level of risk existing prior to 2024...”

It is my understanding that the Regional Recommendation does not change or modify the existing level of flood risk beyond 2024, is that correct?

Assistant Secretary Darcy. Correct, the U.S. Entity Regional Recommendation does not change or modify the existing level of flood risk beyond 2024. The U.S. Entity recommended pursuing an agreed upon, coordinated operating plan with Canada that would maintain an acceptable level of flood risk. The acceptable level of risk would be determined by the U.S. and is currently defined as the existing flood risk in the basin.

Ms. Herrera Beutler. Would the U.S. Army Corps of Engineers be required to seek specific congressional authorization to operate U.S. projects that would change the existing level of flood risk?

Assistant Secretary Darcy. The Corps would need to seek specific congressional authority to make any permanent changes to how projects are operated.

Ms. Herrera Beutler. In a section titled, ‘Domestic Matters to be Addressed Post 2013,’ the U.S. Entity Regional Recommendation for the Future of the Columbia River Treaty after 2024 includes the following language – “Pacific Northwest states and tribes support the pursuit of Congressional authorization and appropriations for a region-wide public process to assess potential changes to the current level of flood risk protection in the Columbia River Basin to enhance spring and summer flows. Any such process should occur between 2014 and 2024...”

What specific congressional direction or authorization would such a review

require?

Assistant Secretary Darcy. The Corps has determined that a region-wide public process to assess potential changes to the current level of flood risk protection could be conducted under its existing Section 216 Authority. The next step in this process would be to find a non-Federal sponsor to cost share the feasibility study 50/50. Once a non-Federal cost share sponsor is identified, the Corps could consider funding for an investigation, which would have to compete nationwide for funding.

Ms. Herrera Beutler. Has/will the Corps spend any FY '15 appropriations for this purpose?

Assistant Secretary Darcy. No, the Corps did not receive any appropriations for this purpose and currently have no plans to spend any FY 15 funds for a Section 216 cost-shared study.

Ms. Herrera Beutler. Has the Corps requested appropriations in FY '16 for this purpose? If so, please provide the Subcommittee the specific account and the amount requested.

Assistant Secretary Darcy. Yes, the Army included \$50,000 in the FY 2016 Budget for a Section 216 cost-shared study to assess the viability of a feasibility level effort to examine flood risk management in the Columbia River Basin.

Ms. Herrera Beutler. Would the review requirement for a non-Federal cost share?

Assistant Secretary Darcy. Yes, based on existing Section 216 authority, the Feasibility study to assess potential changes to the current level of flood risk would require a 50/50 cost share with a non-Federal sponsor.

**QUESTIONS FROM MR. VALADAO OF CALIFORNIA****NAVIGATION FUNDING**

Mr. Valadao. A primary objective of the Transportation and Infrastructure Committee in its development of the Water Resources Reform and Development Act was to enhance opportunities for non-federal funding to match or exceed the share of federal investment in Army Corps of Engineers infrastructure projects. A show of good faith and local approval of critical infrastructure projects is the spark to igniting federal interest and support.

There are many projects on the books that have received significant funding commitments of well over 50 percent from non-federal entities, yet fail to receive the remaining necessary funding from the Corps. Often times, the Corps alludes to its plans to fund certain projects that later are left off of its list of projects entirely.

Other projects slated for Corps approval received less of a non-federal match in funds, but remain on the Corps' list for construction. How heavily does the Corps weigh local investment? For instance, if a project were to receive nearly 70 percent of the total project cost through commitments from non-federal entities, including funds from the state, would that incentivize the Corps to add the critical minority share and begin construction?

Assistant Secretary Darcy. Non-Federal cost-sharing is determined by the type of project and, in the case of navigation projects, the depth of the project. The Corps considers a variety of performance metrics for determining eligibility and prioritizing funding, but does not treat projects differently just because a sponsor is required to pay a greater share or elects to pay a greater share of the project costs.

Mr. Valadao. For projects in the same region that are of equal importance to the surrounding communities, do lower cost projects exclusively outweigh higher cost projects? Or is this determination made on a case-by-case basis?

Assistant Secretary Darcy. The Corps evaluates projects based on their economic, public safety and environmental returns to the Nation. If all factors

were considered to be roughly equal (they are never exactly equal), a lesser cost project could be the best one to build first, but would not automatically or necessarily considered the higher priority of the two projects. That would be determined on a case-by-case basis.

Mr. Valadao. How much influence do the Corps' regional offices have in determining which projects to fund?

Assistant Secretary Darcy. The Corps' regional offices are an integral part of the budget formulation process; the views and information provided by those offices are heavily relied upon to determine which projects to fund.

Mr. Valadao. Does the Office of Management and Budget have the authority to rearrange or otherwise influence the Corps' priorities?

Assistant Secretary Darcy. The Corps and the Office of Management and Budget are both part of the Executive Branch. They work together to develop and maintain a common set of priorities, which informs funding decisions in the Civil Works program.

**QUESTIONS FROM MR. HONDA OF CALIFORNIA****LLAGAS CREEK**

Mr. Honda. Secretary Darcy, I am concerned about the lack of progress on Llagas Creek, a project abutting my district that appears to be caught between conflicting civil works policy and regulatory goals. Llagas Creek is currently undergoing a re-evaluation to determine a federal interest, which is a positive step. However, for the permitting of locally funded improvement activities, the project also needs an EIS, which the project partners are unable to secure due to the ongoing re-evaluation. In the meantime, a community that is prepared to make the necessary local investment is being kept waiting for flood improvements and risking future state funds. How can the project partners can satisfy the Corps' requirements and move forward with the local investment at the same time?

Assistant Secretary Darcy. The Santa Clara Valley Water District submitted a permit application on June 27, 2014 for a locally funded improvement to the Corps. While this does require an EIS, the Corps is currently working with the Santa Clara Valley Water District to define the applicability of prior environmental analysis as it pertains to the locally funded improvements. Once the applicability of prior analysis is defined, the regulatory permit application evaluation can proceed.



**QUESTIONS FROM MS. ROYBAL-ALLARD OF CALIFORNIA****LOS ANGELES RIVER**

Ms. Roybal-Allard. Revitalizing the Los Angeles River has been a long-time goal for me and my constituents. I was encouraged by the prioritization of environmental stewardship through the America's Great Outdoors initiative and the Urban Waters Federal Partnership program.

When does the Army Corps anticipate must complete its Chief's Report for the LA River revitalization project?

Assistant Secretary Darcy. The current schedule for completion of the Los Angeles River Ecosystem Restoration Chief's Report is October 2015.

Ms. Roybal-Allard. How will the Corps ensure its implementation via future budget planning and prioritization?

Assistant Secretary Darcy. If the Congress authorizes the project, it would be considered for future funding along with many other programs, projects, and activities across the Nation competing for available resources

Ms. Roybal-Allard. Is the Interior Department helping in this effort?

Assistant Secretary Darcy. Yes. The Fish and Wildlife Service and Geological Survey both provided input during the Los Angeles River Ecosystem Restoration Feasibility planning phase via an ecological technical advisory team that was formed to ensure habitat evaluation procedures were properly developed and applied.



THURSDAY, FEBRUARY 12, 2015.

## **BUREAU OF RECLAMATION**

### **WITNESS**

#### **ESTEVAN R. LOPEZ, COMMISSIONER, BUREAU OF RECLAMATION**

Mr. SIMPSON. I would like to call the hearing to order this morning. Good morning, everyone. Our hearing today is on the fiscal year 2016 budget request from the Bureau of Reclamation. Our witness is the new commissioner for Reclamation, Mr. Estevan Lopez. I would like to first congratulate you on your confirmation and also welcome you to the House Energy & Water Subcommittee. I look forward to working with you on the very important issues facing the Bureau of Reclamation. Your extensive experience with western water issues, or lack of western water issues, should serve you well as you take on this new role.

My next comments may sound familiar to those who have been here in previous years, but since this is Commissioner Lopez's first time before the subcommittee, I think the message bears repeating.

The fundamental challenge facing Reclamation is that the agency continues to be expected to do more and more with less and less. That challenge holds true for both water and funding. The population of the western United States continues to grow, which impacts the amount of water needed for public consumption and increases in demand for the electricity generated by our hydropower facilities. Our environmental requirements, or new interpretations of old requirements, have increased the amount of water directed towards restoring fish runs and habitat areas, yet the current drought reminds us that water supplies are not limitless and that we need to be mindful of how we prioritize its use.

As for funding, Reclamation's budget has remained relatively flat for several years now while the increasing costs of an aging infrastructure, Indian water rights settlements, and large-scale ecosystem restorations often associated with the Endangered Species Act compliance, compete for limited resources.

It would seem we, the Executive Branch and Legislative Branch together, have some tough decisions to make. We must reevaluate the number and breadth of actions we promised to deliver and ensure that the funding provided is directed to the activities that will bring the greatest benefits to the nation.

I look forward to discussing with the new commissioner how the federal government might address these many concerns. Again, I would like to welcome to the subcommittee Commissioner Lopez.

Please ensure that the hearing record, questions for the record, and any supporting information requested by the subcommittee are delivered in its final form to us no later than four weeks from the time you receive them; members who have additional questions for

the record will have until close of business Tuesday to provide them to the subcommittee office.

With that I would like to turn to Mr. Visclosky for his opening statement. Ms. Kaptur, our Ranking Member, is in Ohio at a funeral today and could not make it.

[The information follows:]

Mr. VISCLOSKY. Mr. Chairman, thank you very much. And Mr. Lopez, I want to welcome you to your first hearing before the subcommittee. I join with the Chairman in looking forward to your testimony and thank you for joining us today.

As the Chairman noted, Ms. Kaptur has to be absent today. Mr. Chairman, I would ask that her entire statement be entered into the record.

Mr. SIMPSON. No objection.

Mr. VISCLOSKY. I would simply make a note that Reclamation's budget request for water and related resources is a 3 percent reduction from current year funding levels. Given the hearing we had yesterday on the Army Corps of Engineers and given my tenure on this subcommittee, I have no doubt where things were lost in the translation as you made your way to the subcommittee today. But nevertheless, we are all interested in finding appropriate places to cut. I have concerns that this reduced request continues the disinvestment in our nation's water resource infrastructure. Therefore, it will be especially important for the subcommittee to understand the specific methodology used to arrive at the set of projects and activities that you are now left with. Given your responsibilities and the drought situation in the west, particularly in the state of California, the work the Bureau is responsible for is critically important, and I look forward to your testimony today. And, again, thank you very much, Mr. Chairman.

Mr. SIMPSON. Thank you. Commissioner Lopez, we look forward to your testimony.

Mr. LOPEZ. Thank you, Chairman Simpson, and Ranking Member Visclosky and members of the subcommittee. It is an honor and a privilege to appear before this subcommittee today to discuss the President's Fiscal Year 2016 Budget for the Bureau of Reclamation and the Central Utah Project Completion Act. I appreciate the time and the consideration given to reviewing and understanding our budget, projects, and programs. I look forward to working collaboratively with you to continue to address the complex water issues that we face in the west. I have submitted detailed written testimony for the record.

Reclamation's overall Fiscal Year 2016 Budget is \$1.1 billion. It allocates funds based on objective- and performance-based criteria designed to effectively implement Reclamation's programs and management responsibilities for its water and power infrastructure. At this time I would like to share a few highlights.

The budget supports the Powering Our Future initiative by including \$1.3 million to implement an automated data collection and archival system to aid in hydropower benchmarking, performance testing, strategic decision making, to investigate Reclamation's capability to integrate large amounts of renewable resources such as wind and solar into the electric grid, and to assist tribes in developing renewable energy resources.

Reclamation's budget supports Interior's Strengthening Tribal Nations initiative through endangered species recovery, rural water projects, and water rights settlement programs. The budget includes \$112.5 million for the planning and construction of five recent Indian water rights settlements.

Reclamation's Native American Affairs program is funded at \$10.9 million for activities with tribes, including technical assistance, Indian water rights settlement negotiations, implementation of enacted settlements, and outreach to tribes.

The budget includes \$36.5 million for rural water projects, of which \$18 million is for the operation and maintenance of completed tribal systems. The remaining \$18.5 million is for continued construction for authorized projects, most of which benefit both tribal and nontribal communities.

The budget supports ecosystem restoration, providing \$158 million to operate, manage, and improve California's Central Valley Project, including \$35 million for current appropriations to the San Joaquin Restoration Fund.

The budget provides \$437.7 million at a project level for water and power facilities' operation, maintenance, and rehabilitation.

Reclamation's highest priority is the safe, efficient, and reliable operation of its facilities, ensuring that systems and safety measures are in place to protect both the facilities and the public. The budget provides \$88.1 million for Reclamation's Dam Safety program, which includes \$66.5 million to correct identified safety issues; \$20.3 million for safety evaluations of existing dams; and \$1.3 million to oversee the Department of Interior's Safety of Dams program.

Reclamation is developing and implementing approaches for climate change adaptation, including through Interior's Water Smart program as follows:

The Basin Study program is funded at \$5.2 million. Working collaboratively with stakeholders, we assess risks and impacts, develop landscape-level science, and communicate information and science to develop adaptation strategies to cope with water supply and demand imbalances.

The Drought Response program is funded at \$2.5 million and will implement a comprehensive new approach to drought planning, drought emergency response, and long-term resilience strategies using existing authorities.

The Resilient Infrastructure program is funded at \$2.5 million to proactively maintain and improve existing infrastructure for system reliability, safety, and efficiency for water conservation to prepare for extreme variability and to support healthy and resilient watersheds.

Reclamation's Water Smart Grants is funded at \$23.4 million; Title XVI programs is funded at \$20 million; and Water Conservation Field Services is funded at \$4.2 million, enabling the west to better adapt to the impacts of a changing environment by helping to conserve tens of thousands of acre feet of water each year in urban and rural settings on both large and small scales.

Now I am going to talk about the Central Utah Project Completion Act or CUPCA. This CUPCA office is a Department of Interior program that reports to the Office of Water and Science. In this

budget, Interior is no longer proposing CUPCA be integrated into Reclamation. The 2016 budget request for the CUPCA program is \$7.3 million and includes \$1 million to be transferred to the Utah Reclamation Mitigation and Conservation Commission. The budget provides funding through the Department's CUPCA office to continue the partnership with the Central Utah Water Conservancy District and the ongoing construction of the Utah Lake System facilities, required program oversight activities, and Endangered Species Recovery program implementation.

Reclamation and CUPCA are committed to working with our customers, federal, state, and tribal partners, and other stakeholders to find ways to meet water resource demands in 2016 and for future generations.

Mr. Chairman, this completes my statement and I would be happy to answer any questions that you may have.

Mr. SIMPSON. Thank you and, again, welcome to the committee. Since this is your first time testifying as commissioner before this subcommittee, I would like to hear from you, what is your vision for the Bureau of Reclamation? Do you have specific goals for the agency, be it programmatic, administrative, or technical, to accomplish during your time as commissioner?

Mr. LOPEZ. Mr. Chairman, as I think you know, I am relatively new on the job. I have been on the job now for four months, and I have been confirmed for just a bit over a month. So I am still on a very steep learning curve, but during the time that I have been here, first of all I would like to say that I am very impressed with the quality of the personnel that we have and with the impact that Reclamation and its activities have on the West and, by extension, on the entire Nation. It is imperative that we continue to maintain the existing and now aging infrastructure, to continue to provide those services. The economy of the entire West is really underpinned by the availability of water. If our infrastructure is not maintained, the economy is going to suffer.

So this year and the last several years we have been suffering through some very, very difficult droughts. Reclamation has been focusing on trying to do drought planning and trying to respond to those droughts. That is going to be a continuing effort. Climate change is becoming more and more accepted as a reality, and I think in water management we are going to be challenged. I think we are going to be essentially at the tip of the spear, if you will, in terms of dealing with some of the consequences of climate change. As we get higher temperatures, crops are going to use more water. There is going to be more demand for water. Precipitation is expected in many instances to decrease, and the precipitation that we do get is often going to be in the form of rain as opposed to snow. So this is going to require that we plan our infrastructure and our infrastructure needs to accommodate that increased variability that we are going to be seeing.

These are not new priorities for Reclamation. I think it is the path that the previous Commissioner and now Deputy Secretary had set us upon, but I think they are the right ones.

One other challenge that is a huge issue for Reclamation I think, is we have an aging workforce. A very high percentage of our workforce is nearing retirement. We have a challenge to build up our

workforce and bring in new talent, talent that will help us resolve some of these climate change and water availability challenges that we are facing.

Mr. Chairman, I hope that answers your question.

Mr. SIMPSON. Thank you. You mentioned the Central Utah Valley Completion project, Completion Act. I am not really up to speed on all of that, but I noticed in the title that Completion Act is part of the title. Is it something that we are ever going to be out of, that we are going to finish, that we are not going to have to worry about funding anymore in our bill?

Mr. LOPEZ. Mr. Chairman, I think that we will be out of it, but perhaps not in as short a timeframe as we would all like. As you know, budgets are constrained and we are trying to make decisions as to how we allocate the limited resources to move all of the myriad of challenges forward, but none of them perhaps is moving at the pace that all of us would like.

Mr. SIMPSON. Well, what are you proposing to do with this in your budget? You mentioned it and said that they are moving it out of BOR?

Mr. LOPEZ. Mr. Chairman, no. In the last several years I think Reclamation has proposed on a number of occasions to move this, to integrate it into Reclamation's operation. At present it is outside of Reclamation. It is managed by Interior's Office of Water and Science, and this was I believe at the request of the constituents in Utah. We have requested it a number of years and Congress has chosen not to integrate it, and it has become very clear that the constituents out in Utah oppose that as well. We are not going to propose anymore that we integrate it into Reclamation. We are going to leave it standalone.

Mr. SIMPSON. Okay. You mentioned during your testimony that you did take efforts to support Tribal Renewable Energy projects. Any other energy projects that you help with tribes, or is just renewable energy? What exactly does that program entail?

Mr. LOPEZ. Mr. Chairman, within our mission we are obviously in the water business and, by extension, hydropower. So our primary focus is on hydropower and the things that we might do in that vein to improve energy reliability. Certainly there are all sorts of other energy options available to anybody, including the Tribes, but our focus is primarily on hydropower and to some extent other renewables that might be integrated into some of our works. For example, oftentimes on some of the lands that we own in and around our facilities, they might be conducive to installing solar or wind generators simply because there are already transmission facilities nearby and that sort of thing. So that is where our focus is.

Mr. SIMPSON. The reason I ask that is because there are some people in the world who do not consider hydro as renewable energy. In fact, in one of the acts that we passed—and I think it was the Renewable Energy Standard—if it is hydropower now, it is not considered renewable. But if you improve the efficiency of the turbine, the addition will be renewable. And I am kind of going, this is bizarre. It is either renewable or it is not renewable. So definitions sometimes get in our way.

Lastly, let me ask you about the Ririe Reservoir in Bonneville County. It was built by the Corps of Engineers—I asked this of the Corps of Engineers yesterday—but it was built by the Corps of Engineers and is now a Bureau of Reclamation owned and operated reservoir with flood control authority administered by the Corps. First, I want to thank you for your work with the local water users and the Corps of Engineers regarding the possibility of additional water storage being carried over from one water year to the next. I understand that the water users are interested in seeing further changes to allow more water to be carried over and available for use.

Can you discuss with me what steps would have to be taken next, which federal agency—the Corps or DOR—would take the lead in those next steps, under what line item would funding have to be appropriated, and would further action be considered an ongoing operation or a new start?

Mr. LOPEZ. Mr. Chairman, I will try to answer at least a piece of that question. As I think is implicit in your question, the Corps and Reclamation have worked together in recent years, and, in fact, last year we issued a record decision that would allow for some additional winter carryover of 8,000 acre feet. So we have, I think, begun the process that water users have wanted.

I am told, and I am not an expert in all of this, but I am told that the Corps believes that if we were going to go any further in terms of looking at additional storage that there would need to be a reallocation study. The Corps believe that we, as owners of the reservoir, would be the lead agency in it.

I would assume that for this sort of project we would have to have a cost-share sponsor, local cost-share sponsors. And we would have to work through all of those agreements in advance of this.

Mr. SIMPSON. Okay. Appreciate it. Mr. Visclosky.

Mr. VISCLOSKY. Thank you, Mr. Chairman. Commissioner, in response to one of the Chairman's questions you mentioned the aging workforce and the fact that you have some turnover. Are there particular skill sets you are most concerned about losing and acquiring as you go through that transition with your employees?

Mr. LOPEZ. Senator, or excuse me—

Mr. VISCLOSKY. Don't do that to me.

Mr. LOPEZ. I apologize. I was in a Senate hearing yesterday—

Mr. VISCLOSKY. No, I am kidding you. I am kidding you. I am kidding you.

Mr. LOPEZ [continuing]. I am still in that mode.

Mr. VISCLOSKY. I am kidding you.

Mr. SIMPSON. You can tell which of us are senators and which are representatives because we don't have doctors standing behind us just in case. Go ahead, Commissioner.

Mr. LOPEZ. I think we have across the board in all skill sets, we have got a lot of people that have been with the agency for many, many years and are getting ready to retire. But of particular concern are some of the engineering positions and, you know, power hydrology and hydraulic engineering-type skills.

As you know, most of our dams were built 50 and more years ago. So we now have fewer engineers that have built those things and have the opportunity to build them. So people with those sorts



of skill sets are going to be particularly valuable to us and we are probably going to be left with the responsibility of helping them acquire additional skills. Young people acquire additional skills once we are able to recruit them.

Additionally, some of our facilities are in somewhat remote areas and that also makes it difficult to attract people with those skill sets.

Mr. VISCLOSKY. Right, okay. Thank you very much. Commissioner, reclamation emphasizes that water-smart grants and Title 16 grant programs are primary contributors to the Department's priority goal of water conservation. The budget request for '16 maintains funding for water-smart at currently year levels but reduces Title 16 grants below inactive '15 levels.

Why the disparity in treatment and is it a reflection of the effectiveness of either of the programs compared to the other?

Mr. LOPEZ. I don't think it is intended to be any sort of reflection on the relative effectiveness of one program over the other. There are a few authorized Title XVI projects that continue to move forward and we continue to move forward. We think the budget that we have proposed, \$20 million for that program, will continue to move those projects forward.

The reason we are asking to grow the WaterSMART component relative to the other is that we want to try and get as many participants in this as we possibly can. Both programs do things that help us conserve water and, in essence, do more with less. But the WaterSMART grant program, in particular, is smaller amounts to more people and we want to just get more people involved in on the action.

Mr. VISCLOSKY. I usually refrain from asking hypotheticals but I will. If the Committee finds additional resources, would you have a preference between one or the other program if there was an add-on by the Subcommittee?

Mr. LOPEZ. Representative, I think that we could probably use it in either and a good approach might be to split it between the two of them.

Mr. VISCLOSKY. Okay.

Mr. LOPEZ. Last year we had the good fortune, and I want to thank this Committee for your part in it, of getting some funds in our budget and we used just criteria that made sense to us in terms of spreading all of those resources over a myriad of programs to try and maximize the benefit of those additional funds. And we would do the same here.

Mr. VISCLOSKY. Good. Thank you, Mr. Chairman.

Mr. SIMPSON. Thank you. Mr. Calvert.

Mr. CALVERT. Thank you, Mr. Chairman. Mr. Lopez, you probably noticed that three out of the five members participating in this are from California. And I know you are very aware of the fact that we are having difficulties in our state and in the west, you know, and that is—we are not exclusively in a drought. But there were some questions on Title 16 and water-grant programs and the Secretary was out in California recently and made an announcement of some dollars that were for drought relief. This \$14 million of Title 16 program, this apparently an additional \$14 million, where do you plan to spend that money?

Mr. LOPEZ. I think I have got some in last year's budget, there was an additional \$96 million that was added into our budget for various categories. One of those categories was for drought and that amount was \$50 million. That drought response was allocated, it included an additional \$4.5 million for the WaterSMART program, the WaterSMART grants, and \$4.5 million for the Title 16 program.

So those monies would go toward—we have put out, we have already put out funding opportunity announcements for both of the programs or are close to putting them out. We generally get many more applications than we have funds to go around.

Mr. CALVERT. So you haven't made any specific recommendations as of yet where this money is going to be spent?

Mr. LOPEZ. For the individual projects?

Mr. CALVERT. Right.

Mr. LOPEZ. No, not yet. We are close. We are in the evaluation process.

Mr. CALVERT. As you know, for the first time in history as I understand it, you are unable to provide any CVP water to the water service contractors. And the process on how you make that evaluation, forecasting, the hydraulic mauling tools, whatever, how do you make that determination about what you are going to deliver, for instance, in this year which is zero, how do you come to that conclusion?

Mr. LOPEZ. We, first of all, track the amount of inflow into key reservoirs, Shasta Reservoir being one of the very key reservoirs, and at certain times of the year we note how much is in there and we project how much we expect to get into the reservoir.

Mr. CALVERT. Well, the reason I ask the question is during the five-year drought from 1987 to 1992, the water service allocations were, in those five years, was 100 percent, 100 percent, 50 percent, then was dropped down to 25 and 25. And in 2011, which was the ninth wettest water season we had since we have been taking history, we only allocated 80 percent when those reservoirs were at complete capacity.

The next year you dropped it to 40 percent and then, to 20 and now, we are at 0. What happened between 1992 and 2011 in the way you regulate, in the way you make your determinations on how have you allocated water?

Mr. LOPEZ. Congressman, I think, as you know I wasn't here in 1992 or until just recently. However, I know of some things that have fundamentally changed the availability of water. And one of the big ones has to do with the Endangered Species Act and the Biological Opinions that are now in place.

Mr. CALVERT. You would say that the biological opinion is now in effect in the northern part of the State of California, the most recent biological opinion in regards to delta smelt and the pacific salmon, you would say on the record that that has the biggest impact of why the water is not being, for the first time in history, not being delivered to the California contractors that are asking for that water delivery?

Mr. LOPEZ. Congressman, I can't say for certain if that is the largest effect. I know that it is a significant impact but in addition to that, there are new water quality standards for water in the

Delta. Those things combined, the water quality issues, that is making sure that we keep salinity out of the Delta and the fish needs, those two things combined are very, very significant drivers that control how much water can be harvested for use—

Mr. CALVERT. Well, as you know, we have spent a significant amount of money through this Committee over the last 20 years in supposedly improving the water quality in the Bay delta. And doing significant amount of environmental projects that were front-loaded in order for us to move toward what we believed was a long-term solution in bringing both help to the delta and at the same time being able to meet our obligations for delivery of water.

Part of that is water storage. You brought up that because of climate change that snow is now being replaced by rain. So by definition, we have to capture that rain when it comes along just like last weekend. We had significant flow of water.

But as I understand, one, we don't have the water storage in order to capture that right now and want to get into that a little bit. And two, because of the Endangered Species Act, as recently as last weekend, you were not able to because of the lack of flexibility, were not able to pump to what would have been your allowable level.

I haven't talked to Mike this week, Mike Hunter this week, but I understand that you were pumping less than 6,000 CFS when you have 30,000 CFS of water flowing underneath the Golden Gate Bridge. And the reason I bring this up, the City of Los Angeles is probably going to go, and the balance of Southern California, is probably going to go into mandatory rationing this summer.

For the first time, the most severe rationing probably in the history of the City of Los Angeles and much of Southern California. And when people hear, like last year, a million-acre feet of water went under the Golden Gate Bridge, which I understand without one risk of losing one delta smelt. Because of the lack of flexibility in which would be interpreted on how to move that water, people are going to get upset. So I would hope that all of you, yourself, you have a big job ahead of you, Mr. Connor, certainly the Secretary, is going to have to make sure we don't lose one drop of water.

I think this last weekend we probably lost, I hear—I don't have the final reports but well, at least 10,000 acre-feet of water probably is gone because we were unable to pump that without any threat to smelt population.

And, you know, I respect the fact we have the Endangered Species Act we have to deal with but if we are not threatening a species and we are unable to pump, that doesn't make a lot of sense to me. How do you feel about that?

Mr. LOPEZ. Congressman, I know there is a lot of frustration over the water that is going out and not being captured. But let me take a few of the things that you have said. In the current situation, right now, we are not constrained by storage. We are actually constrained, I believe, by how much we are able to pump away from the Delta.

And that is being driven, in large part, by the Endangered Species Act but the other thing is making sure that there is enough water going out of the Delta to keep saltwater from encroaching

into it which would create a totally different set of water quality issues.

Mr. CALVERT. When you have 30,000 cubic feet per second flowing out and you are pumping 5 or 6,000 cubic feet per second, how is that going to allow for saltwater intrusion to get in the Bay delta? You have got water displacing seawater significantly more than the effect of that pumping operation.

Mr. LOPEZ. I believe, in the storm event that you are talking about, you are absolutely right. There is plenty of water to flush out the saltwater. In this instance, it is the Biological Opinions that are constraining our ability to pump.

Having said that, we are working very, very closely with fish agencies, the U.S. Fish and Wildlife Service, the National Marine Fisheries Service and the California Fish Agencies, to maximize the amount of flexibility. They put forward their best judgment about how much flow needs to go out.

But they have been, actually, very responsive to recognizing the need and recognizing the severity of the drought and they have been allowing for more flexibility than was originally in the Biological Opinions.

However, they have——

Mr. CALVERT. That didn't happen this weekend.

Mr. LOPEZ. Congressman, it did but perhaps not as much as everyone would like and this is what I mean. They required, in order to get some of that flexibility, they have required that we do things in a step-wise fashion. That we increase pumping in a step-wise fashion and we monitor the impacts of those step increases as we go.

Monitor by sampling for smelt and for salmon, both, and so, over this weekend we ultimately did get to 6,000 CFS of pumping. But it was done in increments where they took the amounts up in increments of about 500 CFS and they checked to see that they weren't creating problems along the way. Then, they took it up some more, take it up some more and that is kind of the way they are allowing the flexibility to happen by doing monitoring in real time and making decisions that are well reasoned.

One of the reasons that they are not—that they have not endorsed simply cranking on the pumps and really taking as much water as they can is, and I understand this from last year, that last year there was an instance where some of that was done and as a result, some of the smelt moved into the area where the pumps are. At that point, they had to constrain pumping dramatically.

Mr. CALVERT. I understood that was less than 50 smelt.

Mr. LOPEZ. It is very few Smelt. I, you know,

Mr. CALVERT. These are 50 minnows, by the way.

Mr. LOPEZ. The numbers that they use to guide whether it is allowed or not, it is an extrapolation. They measure how many they catch and they extrapolate. If they are catching that many that means a much larger number is actually being impacted. I am not the biologist. I don't claim to know all of the validity of the statistics but that is my understanding of how those numbers work.

Mr. CALVERT. Thank you, Mr. Chairman.

Mr. SIMPSON. Ms. Roybal-Allard.

Ms. ROYBAL-ALLARD. Commissioner Lopez, let me join my colleagues in welcoming you to the Committee. First of all, I just want to say Los Angeles always keeps getting mentioned and I think in a lot of ways we get a bad rep. While it is true we are going to have to have these measures in terms of conservation, I don't have the exact date but I just want to say that the level of water usage in Los Angeles today is somewhere at the same level it was in the 1980s. So Angelinos have done a pretty good of doing their part in trying to conserve water.

Now, if I understood you correctly, the \$50 million in funds that the Bureau of Reclamation has allocated for the Western Drought Response, you still haven't decided on the types of projects and activities that you plan in implementing in California for 2015, is that correct?

Mr. LOPEZ. No, that is not correct.

Ms. ROYBAL-ALLARD. That is not correct? Okay.

Mr. LOPEZ. The projects that we haven't selected yet are the ones that have been proposed for WaterSMART Grants or Title XVI. But there is a whole—another long list of projects that we have identified specifically and California was the largest recipient of some of that drought money.

Ms. ROYBAL-ALLARD. But could you elaborate then a little bit on what types of projects and activities you plan then?

Mr. LOPEZ. Sure, we can. For California in particular, first off, the reason that California got so much of this is that California is kind of in the bull's eye of the drought. If you look at the drought maps, the drought shows up on these maps as red, you know, the more intense red being the more severe drought. And right now, if you look at those drought maps, most of California is dark, dark red. And that is the most intense drought anywhere in the nation right now.

And so, what we have done is we have allocated \$19, almost \$20 million, \$19.9 million to Central Valley project areas. And we did this, we described it to try and get as much flexibility as we can in how it is used. Such that if it is needed for emergency situations, that the water managers will have it at hand to use for those things.

But then, we broke that \$19.9 million into six or seven specific projects. If it is not needed for those emergent things, there are a number of things that can be done. For example, for some gates that control cross-channel flow and for some monitoring on some of the fish things, those are just a couple of examples but we have identified six specific projects that that money could be used for.

And in addition to that, California also benefits. We have allocated 18, or excuse me, \$8.6 million to some projects, drought response projects on the Lower Colorado River. In Los Angeles in particular, Los Angeles takes water both from the State Water Project that brings water from the Bay Delta area but also, Los Angeles receives a significant portion of its supply from the Colorado River. So that will benefit California as well.

Then there are the ones that I was talking about earlier, the WaterSMART Grants and the Title XVI. Those things are applied via competitive processes and those are the ones where we haven't yet selected the—

Ms. ROYBAL-ALLARD. I see.

Mr. LOPEZ [continuing]. Specific project.

Ms. ROYBAL-ALLARD. Okay. Besides the 50 million that we were just talking about, you know, given this recurring drought that we have in the West, what additional and more specific activities does the Bureau plan on implementing and what would be the total cost that the Bureau plans on spending on preparedness and response during FY2015?

Mr. LOPEZ. I am sorry, could you restate the question?

Ms. ROYBAL-ALLARD. Yeah, well, in addition to the projects that you were just talking about, are there additional additional, and more specific activities that the Bureau is planning to implement, with regards to drought preparedness and response.

Mr. LOPEZ. Okay. So, specifically out of the extra funds that we got last year, out of that 50 million, we also allocated \$5 million specifically to the Drought Response and Comprehensive Drought Plans. We recognize that this is going to be a continuing type of activity, and we want to encourage communities, and states, and the people that we deal with, to think proactively about how they will respond in times of drought, what sort of measures can they take to impact their own demands and that sort of thing.

So, we have allocated that amount, but besides the additional monies that we got, and how we allocated those, our general budget has a number of things, that we are constantly dealing with things that will impact our ability to withstand drought. You know, all of what we do is all about making sure that water is available in drought.

On the Colorado there are huge storage reservoirs, on the Colorado River, Lakes Mead and Powell, but for those reservoirs and all of the people that rely on the Colorado River supply would have probably been out of water two or three years ago. Those reservoirs combined store something like a four-year supply of water, and we have been able to withstand multiple years of drought as a result of these efforts. So, it is really part of our overall basic mission, in terms of helping withstand droughts.

Ms. ROYBAL-ALLARD. I just have one final question. Are there any temporary changes that the bureau is planning to make during this fiscal year to better manage the water supplies and make water available for use during the drought?

Mr. LOPEZ. Going back to what I was speaking about with Congressman Calvert, in the operation of the Central Valley Project, there are some specific, temporary plans that are for this year in particular. We have worked with the State, and the State Water Project, and the fish agencies.

All of us have worked, combined, to develop a Drought Contingency Plan for 2015 that has a whole series of things that we are coordinating to try and make sure that we are able to capture as much of the water as we possibly can in this very trying time.

Ms. ROYBAL-ALLARD. Okay. Those are all flexible, and I see. Okay.

Mr. LOPEZ. We have tried to build in as much flexibility as we possibly can.

Ms. ROYBAL-ALLARD. Mm-hmm. All right.

Mr. LOPEZ. And it is still important to make sure that we are protecting the environment, while maximizing water availability to the farmers and to the municipalities.

Ms. ROYBAL-ALLARD. Okay. Thank you, Mr. Chairman.

Mr. SIMPSON. Mr. Valadao.

Mr. VALADAO. Thank you, Mr. Simpson. Commissioner I appreciate the position you are in now, obviously coming into this and the disaster we have got going on in California, you are obviously in a very tough position. But no matter how we look at this, this is something that has to be addressed, and has to be addressed quickly.

The comments you made about the TUCP earlier, and how you are working with some state agency, since it has been basically shut down by the State Water Resources Board when they said, no; and you had the support of the U.S. Fish and Wildlife, National Marine Fisheries, California Park with Fish and Wildlife, for that added flexibility. What have you done to put pressure on the State Water Resources' Board, to make sure they do approve this temporary flexibility so we can get some water pumped?

Mr. LOPEZ. Well, Congressman, as I understand it, the denial of one element of our permit—

Mr. VALADAO. The most important part, where we can actually pump water?

Mr. LOPEZ. An important piece, admittedly. That was by—

Mr. VALADAO. Was it the State Water Resources Board, that denied that portion of it?

Mr. LOPEZ. It was not the Board in total. So the Board, still, can weigh in on it, and that is—I think there is an appeal to the Board.

Mr. VALADAO. Well, I signed onto a letter, as did Mr. Calvert, and Senator Feinstein, and others, so that we can voice our opinion that this needed to be approved. It is very important to us, and I hope that you can use everything—every power that you have got, to put some pressure on them as well.

Back in December of 2014, Secretary John Laird, Secretary of Natural Resources in California, wrote a letter in opposition to a Bill that I wrote, introduced last year in Congress. And what he stated was, "As a result of the drought, of emergency declared by the Governor on January 17, 2014, California state agencies have worked very closely with their Federal counterparts and impacted stakeholders to provide critically-needed water supplies while protecting our water quality in imperiled species and fragile ecosystems. All are suffering from these unprecedented drought conditions."

One other Federal counterpart's reference in the statement, is the Bureau of Reclamation, "How much critically needed water was supplied to South-of-Delta, CVP AG service contractors and farmers, as a result of this work described in the Secretary's letter," and I think we both know the answer to that, it is pretty much zero, and there might have been a percent or 1 thrown in there. And how much do you believe will be allocated this coming year? I am assuming another zero.

Mr. LOPEZ. Congressman, I do not know what the allocations are going to be yet, but the outlook right now is looking very, very similar to what it looked like last year.

Mr. VALADAO. Yeah. So, I have got a few cities in my district as well, some of the most underserved communities, obviously in the Valley, Abeno, Coalinga and a few others, that have their M&I, Municipal and Industrial Water, and they are allocated to a certain amount of water.

And when those numbers come out on paper, they always look really large, and they come out like at 75 percent, sometimes 80 percent, or 90 percent, and everybody thinks, well, they are getting all their water.

But the problem with that statement is it has always followed 75 percent, or the number of their historical use; and every year that 75 percent of their historical use, that average keeps getting notched, lower and lower and lower; and so some of these communities are under 50 percent, barely struggling to stay over 40 percent.

And so when the Governor is very proud of the fact that the state has learned to live with less, 20 percent, the constituency in those parts of the district, are laughing at that number saying, we have made up the majority of that average, and we help bring that number down, and they get absolutely no credit for it and no relief when this drought does take effect.

I know that is something that is very important to my constituents, the people there, and I would like you to just know a little bit about that situation. And then in my district, and this is another, there are people now, who two years ago had jobs. They were working on farms, and they had homes, and we got a lot of stores and a lot of businesses in my district that are struggling. But this people that had jobs back then, had homes. And now they are basically living in shacks build along canals out in the middle of nowhere. I do not know if you have seen any of those pictures, but I know that some of those pictures have been in the capital.

These are people that are out of work and standing in, you know, food lines, because farmers have no water. According to a March 2014 letter, from Fresno County Sheriff, Margaret Mims, to the California State Water Resource Control Board, which I would like to enter into the record.

“Reclamations failure to deliver water to farmers in my congressional district is having what Sheriff Mims refers to as an immediate public health and safety——”

Mr. LOPEZ. There is, as you know, it is a crisis, there is no water and we cannot make water, and we have the responsibilities for certain priorities of delivery, and we are doing our best to make sure that we meet the health and safety requirements, first and foremost, but——

Mr. VALADAO. I would like you to be really careful with that statement because I hear that a lot, with, we cannot make water. We all know we cannot make it rain, we all know that we cannot produce water here, but back to the comments made by a lot of members here, there have been real water from my constituents and for many south of me. And so it is something that whenever we fall back on that line of trying to make water, there is ways that we can produce, save, and produce some water for our constituents.



So I would appreciate it if you just take that comment a little more to heart, and careful with that line in the future. So, thank you.

Mr. SIMPSON. Ms. Herrera Beutler.

Ms. HERRERA BEUTLER. Thank you Mr. Chairman. Powering our future initiative; I have three questions and they all relate to different things, so I am going to start with this one first.

On your testimony you talked a little bit about this initiative and I wanted to see if you would expand on it, as it relates to hydropower, because as I understand the goals, the program is to promote renewable sources of energy, hydropower, and in my mind it should be at the forefront of an initiative like this, since it is the cleanest, cheapest and most reliable, if not the only really strong reliable source of renewable energy. I wanted to hear if you had a plan for hydropower as you move forward.

Mr. LOPEZ. Thank you, Congresswoman. We had a bit of a discussion about that, earlier, about how oftentimes hydropower is not counted as renewable, and I think it is all about how they've defined it, or how we have set baselines. Basically, if it was already in our baseline, it is not counted, and it is only if it is incremental that it is counted. But there is a significant opportunity for incremental power within our facilities.

We still hold a lot of water, and we have identified, I think it is something like 300 megawatts of additional potential for generating additional hydropower Reclamation-wide, off some of our facilities. Oftentimes, we do not have the capital to make the investments that would be needed, so what we have done, is we have got a Lease of Power Privilege Program, whereby our partners, the people that operate or benefit from our facilities, can make an investment, and they can get some of the benefits of that to try and develop as much of that additional power as we can. So those are some of the examples.

Ms. HERRERA BEUTLER. And, you know, I had a sense of Congress Resolution, I think, last year that I might be working on again this year, the last Congress. To count hydro as renewable, at the Federal level, at the very least; because I now can. So it is interesting if we have an existing infrastructure that we are not fond of, coal, whatever. I mean I have one coal fire plant in my district, and at the state level, they had really, they had slated it to close, so we basically have none of that. But if we have it, we counted against us, but if we have something amazing like hydropower which produces, 60-plus percent of the energy for Washington, Monticello Dam, California, and they all count it as renewable. We do not count it; so it feels like we need to bring some common sense to how we look at an amazing, clean, carbonless source of energy. All right, moving on.

Quagga Mussels; quagga mussels are a pretty big threat to our infrastructure, and in Washington, our PUDs, imports have been speaking to me a lot about their concern on their assets, invasive species, with several threats when it comes to invasive species, but this is the one they have been talking to me a lot.

And I wanted I wanted to hear what steps the Bureau is going to be taking to address this particular species within its own facili-

ties and, hopefully, how you can help Park Service and Fish and Wildlife, as they move forward so we can prevent the spread.

Mr. LOPEZ. Before I get into the question of Quagga Mussels, regarding hydropower I just want to mention that I recently got an opportunity to tour the dam you were talking about.

Ms. HERRERA BEUTLER. Oh.

Mr. LOPEZ. I got an opportunity to go up into Washington, to Grand Coulee.

Ms. HERRERA BEUTLER. Oh, yeah.

Mr. LOPEZ. And that is an amazing facility that generates a huge amount of hydropower.

Ms. HERRERA BEUTLER. Yeah.

Mr. LOPEZ. So, I agree, hydropower is something that we ought to be doing as much as we can with it.

Ms. HERRERA BEUTLER. Thank you.

Mr. LOPEZ. Going back to the question of Quagga Mussels, these are invasive and very difficult organisms to deal with. They have been moving into many of our reservoirs, as you are probably aware. If a boat goes into an infested reservoir, some of the larva can attach themselves to the boat, and then if they go into a reservoir that did not have them in it, it can in that way, in essence, infect that reservoir.

So, we have been working with some of the parks that control access into reservoirs and so forth, to try and get decontamination facilities, those sorts of things. But in addition, this year, we are doing a significant amount of research. We are focusing some research on Quagga Mussels, how to control them, you know, and also developing—quite frankly, trying to develop materials that they cannot really stick to.

For example, on the Colorado River, some of the reservoirs that are already infested, that take water for Los Angeles, and other communities, they increased the operations cost dramatically, because you have to clean these screens all the time. So if we can develop materials that they cannot adhere to, that might help us deal with it in a different way.

But this is going to be a continuing challenge for us and for anybody that has any waterways to deal with, and we will work with all of the other entities to learn from them and, hopefully, find a solution to this.

Ms. HERRERA BEUTLER. We appreciate that. And one final question, and it has to do with fish passage, I cannot say that fast once, let alone 10 times. I was very happy to hear about the Yakima Basin, the support that you are giving to the Yakima Basin for its water enhancement project, fish passage, sometimes I can say it, fish passage is incredibly important to our regions, and I mentioned hydro earlier.

We really have an amazing success story to tell with regard to how we have worked, and how peers in our region, and how tribes, and how the communities have come around to allow for that hydro project, and in addition we have had record returns for our salmon population, our wild salmon population which is incredibly important to us, and we are working on continuing fish passage.

So, in the FY '16 request for fish, I wanted to hear how the fish—I am sorry guys; it is how your fish passage budget this year com-

pare to what you have done last year. We are hopeful for continued interest and investment on your part. And in the selection process, just as a hint about how you did selection process, where you spent that. I wanted to hear what your thoughts are, when you are deciding that money.

Mr. LOPEZ. So, I can tell you a little about how we did the selection process for this, just recently.

Ms. HERRERA BEUTLER. Thank you. Yeah.

Mr. LOPEZ. In the additional monies that were allocated in 2015, a portion was allocated specifically for Fish Passage. I'm sorry, I am not sure that I said Fish Passage any better.

Ms. HERRERA BEUTLER. I am sorry. I will try not to laugh.

Mr. LOPEZ. There was \$4 million; \$4 million that was allocated to that, and basically what we tried to do was to select a couple of projects that we knew that could benefit and that was ready to move forward on this thing; and the Cle Elum Fish Passage, that was one of them. So, we try and find projects that are ready to go, we try and distribute the money, kind of, geographically; those sorts of things.

Where we can make an impact immediately, that is the selection process; for this year's, for the 2016 Request we are requesting a little bit over \$5 million for Cle Elum Fish Passage.

Ms. HERRERA BEUTLER. Great, great. Thank you.

Mr. SIMPSON. Mr. Fleischmann.

Mr. FLEISCHMANN. Thank you, Mr. Chairman. Commissioner; Mr. Wolf, good to see you all today. I have some questions about dams and dam safety. Dam safety continues to be a high priority for the subcommittee. Around of Reclamations dams are more than 60 years old. A couple and age and improved understanding of hydrological and seismic issues, and change in construction practices, you have quite a challenge in ensuring the safety and security of the nation's dams.

I have three questions in this regard. How often do you perform risk assessment of the dams?

Mr. LOPEZ. Congressman, this is going to be subject to check. I know I read this recently, but I believe we have—we try and rotate through all of our facilities on no longer than an eight-year cycle. Is that correct? Eight-year cycle—

Mr. FLEISCHMANN. Eight-year cycle?

Mr. LOPEZ. And in addition if we know of, or if we are going to be there for another reason, even before that eight-year cycle comes up, we will do an assessment of it. Or if something is brought to our attention that we know might bear additional scrutiny, we will certainly go out there, on a more frequent basis.

Mr. FLEISCHMANN. Thank you, sir. How does the Bureau prioritize future safety and security work on the dam, sir?

Mr. LOPEZ. We try and assess the impact of failure, including, if there is potential loss of life that's, obviously, one of the things that we will put at a highest priority. I am not intimately familiar with the process, but basically if we try and assess the probability of failure, and we look at if there were a failure what would it impact?

For example, if a city has grown up right below a dam, and if the dam were to fail it would create large loss of property and life.

That is going to be given the highest priority. That's the sort of consideration that we take.

Mr. FLEISCHMANN. Yes, sir. As a follow up to that, Commissioner, what is your plan to deal with the inevitable increase in the amounts of dams that will require infrastructure and safety activities in the coming years?

Mr. LOPEZ. In the current year's budget we have allocated \$88.1 million to that of which \$66.5 million is to deal with problems that we have already identified, and deal with those directly. A bit over \$20 million is to continue our assessments of all of the rest of the dams.

But I think, that in general, this is one of our priorities, to make sure that we have safe facilities. So we continue to look out for, and this is one of our priorities in terms of the aging infrastructure that we have to maintain. It will continue to be. It has to be.

Mr. FLEISCHMANN. Does reclamation conduct a comprehensive review or keep a comprehensive list of maintenance needs and costs?

Mr. LOPEZ. Congressman, we do, but that is a difficult question. I know that in—

Mr. VISCLOSKY. I'm sorry, I didn't hear the question.

Mr. FLEISCHMANN. Does reclamation conduct a comprehensive review or keep a comprehensive list of maintenance needs and costs?

Mr. LOPEZ. We track all of our rehabilitation needs and so forth. However, we do not generally try and lump them all into one lump sum figure. What we try and do is establish, kind of, a five year work plan of the Aging Infrastructure, and figure out how we would address that over a five year period that makes sure that we keep the most critical needs at the highest priority, and then move into the next phases as they come in.

Mr. FLEISCHMANN. Okay. One final question, Commissioner, presumably the budget request does not fund every maintenance need. Do you know how big the maintenance backlog is, sir?

Mr. LOPEZ. So this is related to the last question. Our agency, I believe, I am told that we define backlog differently than some of the other agencies that we deal with or that you may deal with.

If we have programmed a certain project, if we have planned on doing it, say, in the next year, and then for whatever reason we do not do it be it we just do not have the resources, whatever the case may be. That we would term a backlog. Not the overall outlook into the future.

So the way we have approached this is we look at what our most critical needs are, and establish, kind of, a five year window or a five year work plan for that. And on the basis of that five year work plan we have estimated an aging infrastructure funding need of something like \$2.9 billion. But not all of that would need to be appropriated monies. We estimate that about 36% of that would need to be appropriate, and that is over a five year period.

The addition would be either from power partners or the beneficiaries' cautionary partners that we would be looking to fund the incremental costs.

Mr. FLEISCHMANN. Thank you, Commissioner. Mr. Chairman, I yield back.

Mr. SIMPSON. Thank you. Mr. Honda.

Mr. HONDA. Thank you, Mr. Chairman, and welcome. Commissioner Lopez, I am very concerned about the public health and safety implications of allocation decisions, and the over drafting of our groundwater basin in and around my Silicon Valley district.

Last year the ground water reserves in Santa Clara Valley were drawn down 80,000 acre feet. Our county experienced 14 feet of historical subsidence, prior to 1970, with much of the county already subsided below sea level. Our region is densely populated with waste water treatment plants, sewer and water lines, rows and foot controlled levies that traverse; areas vulnerable to subsidence.

Even if Santa Clara Valley Water District were to receive its expected 50% municipal and industrial allocation or approximately 65,000 acre feet from the Central Valley Project it will still be a challenge to address the risk of subsidence in our country. They'll be likely not enough water supply to meet Silicon Valley's projected indoor residential, and commercial and industrial demands, our public health and safety needs, if you will, without pulling from our groundwater basin.

In Silicon Valley the groundwater basin is used to balance our water supply needs, but it is critical that in doing so we avoid land subsidence in the San Jose area.

So, obviously, this awful draught has left the Bureau with significant challenges the past three years. So I wanted to ask your thoughts on how public health and safety issues should come into play when we are making difficult decisions about allocation decisions?

Mr. LOPEZ. Congressman, thank you for your question. Public health and safety has to be given one of, if not the highest priority, in terms of allocations. We have a lot of contractual obligations that we have to meet. We have environment regulations that we have to meet, but public health and safety has to be given a high priority as well.

The problem that you highlight, the fact that the last few years there has been so little water that you have had to go more and more towards groundwater is, obviously, a huge problem. I think to the extent that communities are able to find alternatives, potentially desalination, reuse, things of that nature. Those are, obviously, much preferred.

Mr. HONDA. Yes. I appreciate the level of concern and where it sits in the allocation decisions, but in Silicon Valley the driving force in our economy is technology. So we have commercial, high-tech, including the public consumption of water, so it seems to me that that kind of consideration hopefully played a large part in how we look at allocations. Because I think sometimes we make allocation decisions based on historical uses, urban versus ag, and I think with ag we are even looking at how we are going to allocate ag waters if they have certain kinds of conservation practices. So with that, appreciate some thoughtful considerations on that area.

On the Bay Delta conservation plan can you provide us with an update on the status of efforts on the Bay Delta conservation plan, and what has been the federal role to the state?

Mr. LOPEZ. Congressman, the Bureau of Reclamation continues to work very, very closely with the state and the other agencies

that are looking at this thing, notably the Fish and Wildlife Service, the National Marine Fishery Service, California Department of Fish and Wildlife, and the California Water Agencies to try and figure out how to move this forward.

As I think you know, we have been through an EIS, Environment Impact Statement, California in an Environmental Impact Report last year, and then we put it out for comments and got thousands of comments. We have adjusted, and we recognize that there needs to be a supplemental EIS or Environmental Assessment. We are getting ready to finalize that. We should have that sometime in the Spring to be able to put out and keep that process moving forward.

Mr. HONDA. In that 2016 budget request of the reclamation section what federal role is envisioned under that current plan, and what kinds of costs would be involved at the federal level, and are those costs including reclamation activities or include other federal agencies that will be included in reclamation or that kind of activity? So just kind of curious how much and what role it is going to play.

Mr. LOPEZ. So I have described, kind of, the agencies that I am familiar with that are working on this, but for our budget, for our portion of that work, we have requested \$4 million for continuing our part of that process.

Mr. HONDA. So I can pursue how that would be distributed and what we can expect to spend it on?

Mr. LOPEZ. Mr. Chairman, yes. I think that it basically would be to continue the sort of, technical work that needs to go into this, sort of, continuing to move this environment compliance forward.

Mr. HONDA. Thank you, Mr. Chairman. Appreciate it.

Mr. SIMPSON. Thank you. I think I kind of see how this committee is going to breakout now after this just being our second hearing is that we are going to have California water as the main issue, and with the four Californians that do not always agree on the best solution to everything, and it is going to be the rest of us trying to protect ourselves from California with Representative Herrera because they want our water.

Mr. HONDA. Idaho has a lot of beautiful water.

Mr. SIMPSON. Yes, it does. First, just kind of a technical question I need to ask, Fiscal Year 2012 reclamation was directed to assemble data on pipeline reliability for a variety of types of pipe, and to conduct an analysis of a performance of these types of pipes. Additional clarification was provided in subsequent fiscal years, including that reclamation should take all steps possible to avoid even the appearance of bias in this work.

Can you please provide the committee with an update on what is being done in response to these directives, including reclamation's role, and what activities are being conducted by an outside entity? And when will this report be completed and submitted to the committee?

Mr. LOPEZ. Mr. Chairman, yes. This has been a long running issue for Reclamation. Following the National Academy of Science Report that was done a few years ago, one of the items that that National Academy of Science Report identified was that the

amount of information or the amount of data on the corrosion rates of various types of pipe was, kind of, lacking.

So coming out of that we were directed to conduct that sort of survey on the various types of pipes that are out there. We have done that. We have formulated the survey documents or what we need to do the survey. Then it became apparent that there was concern about whether we could do that objectively or whether we would be biased and try and drive the outcome of the survey. So we were instructed to have an independent entity do that. We are doing that.

In developing, kind of, the scope of the survey and all of that we are required to make that available to the public before going out and starting the work. We have done that, and we have put it out to the public for 60 days, and right at the end of the comment period we got a very large amount of comments. As a result, we redid the survey instruments, and we put it out for public comment again.

Halfway through that process some of the interested Congressmen asked if we would give additional time for comment on those things. We accommodated that. That moved the timeframe into December, I believe it was. We are now trying to still finalize the thing.

We had anticipated that we would be able to do all of this by this September, September of 2015. Because of these delays and the comments that we have tried to accommodate we think that it will now take us into mid-2016 to complete all of this, assuming that there are no further delays.

Another element that you asked about was what role we would play. As I mentioned, there is concern about whether we can be unbiased in that process, so we had already planned on having an independent contractor do the work. Now we have been asked to have an independent contractor do the analysis, the economic analysis, that would follow up on the results of that. That is part of our plan as well.

Mr. SIMPSON. Okay. Thank you. I want to get into just a little bit something that Mr. Visclosky and I were talking about that has come up. Having been ranking member and chairman of this committee we both have, kind of, an interest in this. That is the future. We do not like to be surprised. Do you have a five year plan in place for your agency, five year work plan?

Mr. LOPEZ. Mr. Chairman, as I mentioned we have a five year plan as relates to, kind of, our infrastructure and the aging infrastructure and making sure that we can deal with that. We have that. Is that what you are referring to?

Mr. SIMPSON. That and, as an example, today in this budget we are funding three of the four Indian water rights settlements proposed in this new account, and it has increased significantly in this budget request.

Some of these settlements have statutory deadlines for completing work. Are we on track for those deadlines? Can we anticipate over the next five years what we are going to be spending on Indian rights settlements on water rights and stuff, in all of those categories?

I guess to ask it in kind of a not too specific way, and I will not ask you to do this, but if you ran a business I could go back and sit down and probably put together, if someone asked me to, what it was going to cost me to run my business next year, and what I anticipate it is going to cost me in a couple years.

Understanding that there are, sometimes, things that happen to change those plans. Could you do that, and I am not going to ask you to do it, but could you tell us what, and I am not asking you to actually tell us, but if you had to could you tell us what you think the budget will be for the next year and the year after?

Mr. LOPEZ. Mr. Chairman, yes, I think. And going back to your question about the Indian Water Rights Settlements and so forth, this year showed a significant increase on that, and it is driven by the statutory deadlines that are built into those settlements, and making sure that we can meet those deadlines for implementation.

I am told, I spoke with Mr. Wolf earlier that the level that we have asked for this year, the \$112.5 million, should, essentially, stabilize. We may have a little bit of an increase, but not a big increase. That is assuming that we are focused on the settlements that are now currently in place.

Obviously, if we get new settlements that add additional responsibilities that changes that picture. But for the settlements in place we think we are, essentially, a stable funding level.

For the rest of this, in general, we have been over the course of the last eight years or so, essentially, very close to an overall flat budget. I would anticipate we would be, essentially, the same. We will have to reorder our priorities within that as we move forward.

Mr. SIMPSON. When you talk about the Indian water rights settlements, is this for the negotiation of the Indian water rights settlement or is this payments that were negotiated? In other words, are we appropriating money for that or does that come out of the Judgment Fund?

Mr. LOPEZ. The \$112.5 million that I am talking about is for the implementation of settlements that have already been—

Mr. SIMPSON. Negotiated?

Mr. LOPEZ. Negotiated and approved by Congress. In most instances, the monies that are being put out, that we are asking for, is to build infrastructure that is a compliment of the settlement.

Mr. SIMPSON. Okay, I appreciate that. Thank you, Mr. Visclosky.

Mr. VISCLOSKY. Thank you, Mr. Chairman. I just would make a comment in conjunction with what the chairman said on the work plan, \$2.9 billion over five years, if I am doing the 36 percent correct, that gets me at about \$1.44 billion, which divided by five, five years, is 18 percent more than you asked for this year.

I despair that this institution continues not to address the issue of entitlements and adequate revenue, because I do not see how you get your work plan done, which is no failing of yours.

On dam safety, a number of questions were asked. I would have one on the authorization ceiling. The Bureau has indicated that reauthorization efforts for the Safety of Dams Act would need to be completed prior to the submission of one of the modification reports planned for fiscal year 2016 and future modifications.

Authorization extensions were called for in the budget for CALFED as well as the Secure Water Act. Why did the budget not



include any recommended changes for the Safety of Dams Act, given the pressing need?

Mr. LOPEZ. We have some room in the authority for the Safety of Dams Act, I believe, somewhere on the order of \$383 million still within the existing cap. You are correct, there is at least one dam that we have identified in Oregon, that dam by itself, the cost of that modification is estimated at about \$450 million.

Before that could be moved forward, we would need to raise the authorization ceiling. We did not request that. We know the Authorizing Committee is aware of it. It was requested last year, but they opted not to.

Mr. VISCLOSKY. I assume it will be worked on.

Mr. LOPEZ. We hope to talk to them and see if they are willing to do that.

Mr. VISCLOSKY. Sooner rather than later.

Mr. SIMPSON. Will the gentleman yield?

Mr. VISCLOSKY. Sure.

Mr. SIMPSON. Is there any controversy with that, do you know, with the authorization committees or anything?

Mr. LOPEZ. I am looking at Mr. Wolf, and he says no.

Mr. VISCLOSKY. One final question. The budget request increases funding for the resilient infrastructure investments account, it is a component of WaterSMART, by 67 percent.

Could you provide for the subcommittee details of what Reclamation is doing with this line item, and how it compliments or is different from another line item, which is the examination of existing structures?

Mr. LOPEZ. Let me describe the last portion first, the examination of existing structures is part of our Dam Safety Program that basically is again—I described earlier how we do an eight year rotation, make sure we inspect all of our facilities. That is what that portion is.

Mr. VISCLOSKY. Okay.

Mr. LOPEZ. The Infrastructure Resilience Fund, we are asking a modest amount, \$2.5 million. It is an increase over what we have had before. What we are trying to focus on here is not the infrastructure rehabilitation itself, but trying to set up the mechanisms and the protocols such that as a matter of course, when we know we have to rehabilitate infrastructure, that we are not just dealing with bringing it back to what it was before, but rather looking out into the future about climate change and what modifications can we change to make that infrastructure as we are doing that routine work, make it more resilient to withstand those kind of anticipated future changes, or as we were talking earlier about, kind of some of the environmental impacts.

If there is something we can do as we are just doing some of our routine rehabilitation, upkeep, if we can anticipate the needs such that we do not have to come back and do a retrofit later, that is what that money is going to be focused on.

Mr. VISCLOSKY. Thank you. Thank you, Mr. Chairman.

Mr. SIMPSON. Mr. Calvert.

Mr. CALVERT. Thank you, Mr. Chairman. I just want to emphasize again, Mr. Valadao certainly brought this up, and I will do it again. The short term issue that we were just discussing on the

flexibility to pump to the maximum degree possible under the existing biological opinion, I do not believe that is occurring.

I will be talking to you and Mike in the future about this, but I do not believe it is occurring because of some of the difficulties that Mr. Valadao brought up and others that this is happening.

When we get the final report, if we did lose 10,000 acre feet of water this last weekend, that is enough water to supply Mr. Valadao's small communities for the rest of the year. That is a lot of water. When you have 30,000 CFS, most people cannot even visualize that kind of water moving down and through the Bay.

I wrote the CALFED bill a number of years ago. That was my legislation. How long has that been, 12 years ago? Something like that. We have had reports. We have had studies. We have had technical evaluations. We have had environmental reviews. If all that stuff was water, the drought would be over.

We have been studying the various expansions of capacity and dams in California to move the construction of this long term solution of storage. A Shasta study was supposed to be done this year, I understand. The Upper San Joaquin River study is supposed to be done this year.

We have had frustrations on the Sites Reservoir, and certainly we have some issues with a non-Federal share, and those issues have to be resolved.

All of these things, at the end of the day, we have to finish these studies and we have to get on with it and start building reservoirs, and the long term solution to California is we have to get the storage completed. That was the intent of the bill. We have spent God knows how much money on environmental projects in the Bay area. That is great.

We have to build the storage because Silicon Valley is going to be out of water. Los Angeles is going to be out of water. Southern California is going to be out of water.

People like to joke about California, but we are a big part of the economy. You cannot do much without water. I will be leaning on you, Commissioner, Mike, and the Secretary, that we have to deal with this.

I have not even got into the Colorado River. As you know, we have 67 million acre feet of storage in the Colorado River system. What are you down to right now in capacity?

Mr. LOPEZ. We are down below half.

Mr. CALVERT. Below half. That is about as low as it has been since the creation of much of those projects, is it not?

Mr. LOPEZ. Certainly, Lake Mead is down at a lower level since it was built.

Mr. CALVERT. Las Vegas is putting in a new tunnel to be able to capture water out of the bottom of Lake Mead. If Lake Mead runs dry, they are going to have to shut down that Palazzo Hotel. We will be having Frank Sinatra sprouting water. I make a joke about it. That is a big part of the western economy. Arizona is out of water. Nevada is out of water. New Mexico is out of water.

This is severe. We cannot lose a drop of water. That is the point I want to make. We have to start building storage and resolve this problem for the long term.

With that, Mr. Chairman, thank you.

Mr. SIMPSON. Mr. Honda.

Mr. HONDA. I was going to ask a question, but I thought I would get into that discussion about water. We do not manage drought. We manage water. The drought issue is a phenomenon that is kind of global, I think, and it is affected by a lot of other things.

We can figure out the different ways of recycling water, manage the water, things like that. Water is a finite commodity in the world, globally. I think it is something that California is going through, and we have not learned to manage a couple of things, and one is understand that water is a commodity that you can only get so much of, it is a limiting factor, I guess they call it.

If we continue to grow our population without taking into consideration how we are going to have sufficient water for the growing population, then we are going to constantly face this issue of the shortage of water. It is really learning how to manage it.

One of the ways is we could probably tap into Idaho's great rivers where large sturgeons are living. My point is I think as humans we have to start looking at the essence of the limiting factor that water presents itself in and how we look at our population, how we look at growth, how we look at management, and storage is one way but it is not the answer to this thing we call a "drought" that happens, that we do not have much control over, unless we understand other dynamics.

I go to Idaho to enjoy your beautiful rivers. I think the salmon and the different places is something that needs to be preserved. I think Idaho has something to be proud of.

We have some things to be proud of in California. We just have a large growth of people that want to live there, and I think we have to learn how, as farmers and ag people, learn how to manage that. A lot of them are doing it. I think we just have to learn how to manage our water.

In California, we were rationing 25 percent in the last drought, and after the drought was over, we lifted it, and we should have continued our practice of managing and rationing our water so that we learned to live with what we can.

A lot of it is going to be behooving upon us as a population to understand how we do that as a community. It affects a lot of people. I think this is one of the lessons I have learned. I think it behooves us to sort of share that insight, and at the same time, solve a problem.

I do not think we as humans know how to do flood control, but we certainly should know how to manage the water that we have.

I have a parochial question, in the words of the chairman that he used yesterday. The water hyacinth, what is happening with that in the San Joaquin/Sacramento Delta area? For some, it is a plant, and it is a beautiful plant, but for others, it is a weed. As a fisherman, it messes up my fishing. It just drags my line down the river.

Mr. LOPEZ. I spoke earlier about some of the constraints on pumping water out of the Sacramento River Delta and so forth. Water Hyacinth, I understand it is an invasive species and it has been around for a long while, I think it may be an attractive plant but it can also completely clog these waterways. That is what has happened this year. It has completely clogged these waterways, in-

cluding preventing us to really be able to operate those things the way we would like.

We have been doing all that we can to remove that. There was literally, at least at the beginning of this, miles of this they were trying to clean up. They were moving a tremendous amount of these plants out of the area, but not really able to keep up.

Since then, they have made some headway. A number of the irrigation districts are working with us, the State of California is working with us, providing resources. We are working on trying to clear out these things, but they continue to be a huge challenge.

Mr. HONDA. The use of fertilizers, is that a big contributor and something we should be looking at also?

Mr. LOPEZ. Congressman, I do not know the answer to that. I was told yesterday something about the drought itself and perhaps the increased water temperatures might have been contributing to it, but frankly, I do not know the answer to what is driving that.

Mr. HONDA. Thank you.

Mr. SIMPSON. Thank you. Mr. Valadao.

Mr. VALADAO. There was a lot in that last statement there, but one comment on transporting water across different state lines that would require a pipeline, and those are not popular back here at times.

On the agriculture, I am the only farmer up here and I still currently farm. When we look at the pesticides that are being used throughout, and herbicides, the things we do use, they are so expensive and resources are so tight, there is no room for just throwing stuff on fields or just putting it around.

I happen to be the guy that has the permit on our own personal property. The amount of work it takes for me to get my ability to hire a PCA and the permitting process he has to go through so he can come out and look at my fields and tell me what pesticides to use, for me to then hire another guy who has gone through a permitting process again to be able to apply those things, it is not as simple as the people that go to town, whatever hardware store they go to, and purchase whatever, and just put it on their grass without any specific measurements.

There is a huge difference between agriculture and urban users. I just wanted to just make a point of clarification.

Mr. HONDA. If you would allow me to make a quick comment, I was trying to make a distinction between urban users and ag, and I think urban users, we do put a lot of stuff on the ground with a lot of thought. I think that is probably a great source of the nutrients that run off. I think you guys are pretty scientific about it.

Mr. VALADAO. We have done everything we possibly can to save money and preserve resources.

Commissioner, as you know, obviously building water restructure is very important to me and something I am very interested in. Yesterday, I met with representatives from the Sites Reservoir or Sites Project Joint Powers Authority, the JPA. They said they are on the verge of making great progress on the project itself.

The JPA and the Bureau of Reclamation are working on a plan to get the feasibility study and the environmental documents completed no later than December 2016, which will help ensure the project is in a position to compete for the funds made available.

The Sites JPA is pursuing investors and reaching out to the environmental community and land owners that will be impacted by the project.

I want to make sure that the Bureau is committed to helping to move this project forward and that you have the resources necessary to help ensure the feasibility study and EIR and EIS are completed no later than the end of 2016.

What steps is the Bureau taking on this project to make sure the deadline is met?

Mr. LOPEZ. Congressman, we also met with some of those folks in the last couple of days. They are very focused right now on getting us what they need in terms of the agreements and so forth. We are working with them on developing a Project Management Plan. That is one of the key elements.

Obviously, I am relatively new to this one, but I met with a group that included a number of people within our organization that are very familiar with what needs to be done. I got a very distinct impression during that conversation that we were all on the same page about being able to get to that deadline you are talking about and making sure a decision can be made relative to the funds. As I understand it, that is kind of the driver for that whole thing.

Mr. VALADAO. One of the issues with pumping on the Delta, there is a lot of blame to go around, if it is ESA or other things, but there is that issue, I think it is called "hyacinth," that weed, the invasive species that has come over on ships or whatever it was.

Some money was brought in through that \$50 million to help eliminate that issue. Is there anything going on or do you have any plans going forward with that to help remove that invasive species? I do not know what the proper term is for that. When are we going to see some action on that?

Mr. LOPEZ. There is a lot of action going on right now. Basically, we are trying to get as many resources as we can to get that cleared out right now. We are finally having some impact. Initially, when we started out—

Mr. VALADAO. It is an underwater weed; right?

Mr. LOPEZ. It floats on the water. As I understand it, I do not know much about this but I have been talking to a lot of people in the last few days about it, and I am told it floats on the water with kind of a bulb-ish mass on the top with roots that go down into the water. I am told it can be up to five or six feet thick, just floating on the top there.

Right now, we have partners, the San Luis and Delta-Mendota Water Authority, the Central California Irrigation District, the Department of Boating and Waterways, the Department of Water Resources. They are all helping us to try to remove that right now.

In some instances, we are entering into agreements, such that they can operate some of our equipment. We are trying to do all things to move that process forward.

Mr. VALADAO. It is a huge challenge. This is my last question, so I just want to thank you very much for taking some time out for us today, and I look forward to working with you in the future, and appreciate the chairman for giving me some time today.

Mr. SIMPSON. Thank you. It is interesting sitting and listening to this debate and the questions about California waters and the drought down there. I went and visited the Central Valley in Mr. Valadao's district last summer, I guess it was, last May or so.

To tell you the truth, I was shocked. I have never seen any place where agriculture has done as much to conserve water as they have in the Central Valley. You do not see sprinklers spraying water all over the fields and that kind of stuff like you do in most agricultural places, or flood irrigation, or any of that. It is all drip. They use as little water as possible to address the needs.

It is also really kind of sad to see them taking out the almond trees and the pistachio trees. If the drought is over next year, they do not come back next year. A potato crop you cannot grow because of a drought this year, next year when you get water, you can re-plant it.

Losing some very long term investment there that is important. Anyway, they do a great job in the Central Valley in trying to conserve what they have during these difficult times.

Mr. Visclosky, anything else?

Mr. VISCLOSKY. No, thank you.

Mr. SIMPSON. Mr. Honda.

Mr. HONDA. No, thank you.

Mr. SIMPSON. Thank you for being here. We look forward to working with you, and congratulations on your confirmation by the Senate. The Senate finally did something that we are very proud of.

Thank you for coming today, and we look forward to working with you as we put this budget together.

Mr. LOPEZ. Thank you, Mr. Chairman. Thank you, members, appreciate the discussion.

**QUESTIONS FOR THE RECORD**  
SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT  
HOUSE COMMITTEE ON APPROPRIATIONS

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**Hearing on the Fiscal Year 2016 Budget Request for the  
Bureau of Reclamation  
February 12, 2015**

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**BUDGET DEVELOPMENT****ADDITIONAL CAPABILITY**

Subcommittee. The Administration obviously believes that the budget request is the optimal use of funds within the Bureau of Reclamation as well as government-wide. In the past, Congress has sometimes disagreed with that assessment and increased funding for Reclamation in order to help address the water resource needs of the Western states.

Commissioner López, if this subcommittee is able to find funds in addition to the budget request level for Reclamation this year, are there other projects or activities that would benefit our economy that are ready to go and just waiting for federal funding?

Commissioner Lopez. As you have stated, the Bureau of Reclamation supports the President's Budget to fund the many competing priorities within the Bureau, the Department, and Government-wide. In past years, the Congress has appropriated additional funding for specific categories or purposes. Reclamation has been able to obligate that funding quickly and effectively. If the Congress should choose to do so again, Reclamation would again endeavor to obligate such funding quickly and effectively as possible and we are confident that we would be able to do so. If the Congress were to add funds, we would suggest that they be provided in such a way as to maximize Reclamation's flexibility in allocating such funds to the projects and activities that best address our many competing priorities as they exist at the time the funds become available.

Subcommittee. For the record, please provide any available estimates of capability for each additional funds category included in the fiscal year 2015 Act.

Commissioner Lopez. Specific estimates have not been developed at this time. Reclamation was able to screen and prioritize projects/programs to allocate funds and will make effective use of the additional \$96.3 million provided by Congress in FY 2015 in the following categories:

Rural Water funding (\$31.0 million)

Fish Passage and Fish Screens (\$4.0 million)



Water Conservation and Delivery (\$8.0 million)

Environmental Restoration and Compliance (\$1.0 million)

Western Drought Response (\$50.0 million)

Facilities, Operation, Maintenance & Rehabilitation (\$2.931 million)

Projects/programs were funded using competitive, merit-based evaluation criteria within each of the categories. We also considered their ability to obligate funding in FY 2015 in order to have the most immediate impact. It can be noted that not all worthy projects were funded.

## BUDGET CRITERIA

Subcommittee. The budget request is described as emphasizing three principles – shared responsibility, merit-based funding, and regional equity. That does not give us much insight, though, into the types of objective, performance-based criteria Reclamation says it uses to allocate funding.

Mr. Commissioner, can you please elaborate a little bit on the principles and criteria Reclamation uses in developing its budget request?

Commissioner Lopez. Our means of setting priorities are to satisfy our primary functions first-- provide water and generate power. We must comply with contractual obligations as well as environmental and other relevant laws as we deliver water and generate power. In addition, we necessarily fulfill Court, legal, and Tribal settlement mandates.

Maintaining our infrastructure in order to ensure its reliability is of primary importance to Reclamation, and it is reflected in our Dam Safety program, the attention and funding we dedicate to our Replacements, Additions, and Extraordinary Maintenance (“RAX”) activities, and our increasing emphasis on operations and maintenance, in general.

Even with all of these priorities, however, our FY 2016 request includes substantial funding for Ecosystem Restoration, our WaterSMART program, Rural Water projects, and other highly valuable programs. Several of these programs (notably WaterSMART, Dam Safety, and Rural Water) have very stringent criteria for the selection of projects. The objective, performance-based criteria used to allocate funding is tailored to each individual program to best meet the objectives of each program. The selection criteria for most programs is publically available on our website and is readily distributed to interested stakeholders.

## PROPOSED NEW ACCOUNTS

Subcommittee. For several years now, the Administration has proposed new accounts for both Indian Water Rights Settlements and San Joaquin River Restoration. Each year so far, Congress has instead funded these activities within the Water and Related Resources account. Would you please explain the Administration's continued desire for separate accounts for these activities? Have the reasons changed from previous budget requests?

Commissioner Lopez. The San Joaquin River Restoration program (SJRRP) (discretionary) is currently being funded by Congress under the Central Valley Project, Friant Division within the Water and Related Resources appropriations account. Requesting a separate appropriation/treasury account for SJRRP would allow for greater transparency, accountability, and streamlined reporting.

In addition, Reclamation chose to propose a new account to ensure maximum transparency and accountability of recently enacted Indian water rights settlements (i.e., the Claims Resolution Act (CRA) of 2010 (P.L. 111-291) as well as the Navajo-San Juan settlement of 2009 (P.L. 111-11) . We did not propose that all funding associated with Indian water rights settlements be transferred to the new account—only those that receive funding under the CRA. Furthermore, funding Indian Water Rights Settlements in a new account solely devoted to obligations of this nature would protect them from sequestration, pursuant to section 255(g)(1) of the Balanced Budget and Emergency Control Act of 1985. This would enable a higher rate of payment for the U.S. Government to retire these obligations that derive from Indian Tribes' primary water rights.

Overall, the rationale for this request is similar to rationale in previous requests, but the fact that these activities continue to receive significant attention highlights the need for heightened transparency and accountability.

## SAN JOAQUIN RIVER RESTORATION

Subcommittee. The San Joaquin River Restoration program has been funded with both discretionary and mandatory funds. The currently available mandatory funds are expected to be exhausted in fiscal year 2015, however, and additional mandatory funds will not become available until fiscal year 2020. The Committee was told that at a recent briefing for stakeholders, Reclamation projected that this program will need a total of \$350 to 500 million between now and then.

To what extent has Reclamation prioritized existing and future activities in light of mandatory funds being exhausted?

Commissioner Lopez. Reclamation is working with the parties to the Settlement, the agencies implementing the Settlement, and the downstream landowners and water districts potentially impacted by the Settlement to identify Program priorities and establish a realistic schedule and budget for the Program. The Program priorities along with the revised schedule and budget will be documented in our Revised Framework for Implementation. We expect to complete this effort in July 2015.

Subcommittee. Has Reclamation consulted with interested stakeholders, such as water districts or other federal agencies, for assistance in identifying needs and prioritizing activities? If yes, please describe these efforts.

Commissioner Lopez. Reclamation works extensively with stakeholders in implementing all aspects of the Settlement. In prioritizing future activities and preparing the Program's revised schedule and budget (the Revised Framework for Implementation), we have undertaken an extensive process that is inclusive of all the stakeholder groups and is open to the public. As of March 13, 2015, we have held five stakeholder meetings with over 70 individual stakeholders invited to the meetings. We have also held numerous "small group" and one-on-one meetings to focus on specific questions and challenges and receive input on Program needs and priorities.

Subcommittee. Has Reclamation identified additional funding sources, such as increased state contributions, to contribute towards activities under this program?

Commissioner Lopez. The Program's funding comes from a variety of sources including the San Joaquin River Restoration Fund, Federal appropriations, and Central Valley Project Restoration Fund. In addition, the State has committed to providing \$200 million in State funds, primarily from State propositions, to help implement the Program. As part of the development of the Revised Framework for Implementation, we are considering a variety of funding sources, including State contributions in excess of the \$200 million previously committed by the State.

Subcommittee. To what extent has Reclamation analyzed the projected costs of the San Joaquin River Restoration program compared to the projected amount of funding available?

Commissioner Lopez. As part of the 2012 Framework for Implementation, Reclamation completed a comprehensive analysis of projected costs and funding available. Reclamation is in the process of revising this analysis as part of the Revised Framework for Implementation. This effort is in progress and the information may change with input from the parties to the Settlement, the agencies implementing the Settlement, and the downstream landowners and water districts potentially impacted by the Settlement. We expect to complete this analysis and release it in the Revised Framework for Implementation in July 2015.

## RENEWABLE ENERGY AND CLIMATE CHANGE ACTIVITIES

Subcommittee. Reclamation's budget funds activities related to renewable energy and climate change in several different line items and programs.

Mr. Commissioner, exactly how much funding in the fiscal year 2016 budget request does Reclamation consider as being related to renewable energy – both hydropower and non-hydropower – and how much is in response to climate change?

Commissioner Lopez. Renewable hydropower generation is a primary mission of Reclamation and, as a result, Reclamation's renewable energy budget is significant. That being said, the primary funding mechanism for Reclamation's renewable hydropower program is power customer funding and therefore not included in this request. The vast majority of Reclamation's renewable hydropower activities, such as rehabilitation, replacements, and operations and maintenance of hydropower generating units, are carried out through direct funding by power customers or a Federal Power Marketing Administration.

While renewable energy may be a consideration in other programs and projects, Reclamation's 2016 funding request for renewable energy is primarily spread across two program offices: \$1.3 million within Power Program Services (PPS) and \$1.52 million within Science and Technology (S&T).

The primary objectives of PPS and S&T renewable funding are: to develop programs and methods to increase efficiencies and capacity and reduce costs at Reclamation's hydropower facilities; to provide for the policy execution and oversight for increased hydropower development at Reclamation facilities; to understand the opportunities and impacts to Reclamation's hydropower assets from an increasing amount of variable generation resources connecting to the US electric grid; and to support the activities identified under Reclamation's Sustainable Energy Strategy and the Sustainable Hydropower MOU with our partners, the Department of Energy and the U.S. Army Corps of Engineers (USACE). While climate change is a consideration in Reclamation's renewable activities it is not the driving factor.

Focusing on the response to climate change, Reclamation has identified \$15.2M within the FY 2016 Budget Request. This includes funding for Reclamation's Basin Study Program, Drought Response and Comprehensive Drought Plans, Science and Technology's Open Water Data Initiative, and the Science and Technology climate change and variability research component. In addition, Reclamation's Infrastructure Resilience request of \$2.5M is related to planning for infrastructure upgrades that will improve infrastructure function under climate change scenarios. Beyond those specific activities within our budget, Reclamation recognizes that as the Nation's largest wholesaler of water and second largest producer of hydroelectric power, climate change and variability are part of all of our water management activities in support of the Nation's economy. Reclamation has developed a climate change adaptation strategy (<http://www.usbr.gov/climate>) that describes how climate change is being considered within our mission.

Subcommittee. Can you please discuss why funding for these topics is spread across so many different programs? What steps have you taken to ensure that these programs are not redundant or overlapping with each other or with activities at other federal agencies?

Commissioner Lopez. As stated above, renewable hydropower generation is a primary mission of Reclamation and, as a result, renewable hydropower activities occur throughout the agency. Since these funds are project-specific, they are very unlikely to be redundant with any activities funded by the centralized programs. Specific to the Science and Technology and Power Program Services renewable activities, the two offices coordinate with one another on a number of renewable activities identified in the *Bureau of Reclamation Sustainable Energy Strategy* and *Sustainable Hydropower MOU* as well as other related projects. In addition, the two offices conduct monthly coordination meetings to ensure that there are no redundancies within the programs, and that they are complementary to each other.

There are also monthly coordination meetings with our DOE and USACE partners to ensure that there are no redundant activities between the agencies under the Sustainable Hydropower MOU, and that we leverage each agency's funding to bring our unique expertise and staff capabilities to jointly scoped and performed projects. Finally, there is a quarterly information exchange that has been developed to report on the progress of

the various renewable activities across Reclamation (including customer funded hydropower activities). This quarterly update is available at [www.usbr.gov/power](http://www.usbr.gov/power).

With respect to climate change, Reclamation has developed a comprehensive strategy across four goals: increase water management flexibility, enhance climate adaptation planning, improve infrastructure resiliency, and expand information sharing. These four goals and activities within them are closely coordinated to ensure that funding and activities are neither redundant nor overlapping. Reclamation has established an agency-wide team within the Basin Study Program that coordinates across Reclamation's offices to increase efficiency and avoid redundancy. The infrastructure resiliency allocation and investment is coordinated through a central office within Reclamation's Policy and Administration Organization. That office works with all of the regions to assure no duplication of effort in related activities. Reclamation also works closely with Federal partners to identify common needs for climate change information, and to work together to meet those needs. For example, Reclamation worked with a variety of Federal agencies on the development of "Addressing Climate Change in Long-Term Water Resources Planning and Management: User Needs for Improving Tools and Information" (<http://www.ccaawwg.us/index.php/activities/addressing-climate-change-in-long-term-water-resources-planning-and-management>). We continue to work with Federal agencies to leverage capabilities and avoid redundancy.

Subcommittee. How can you be confident that this funding isn't so dispersed as to be ineffective at meeting the Administration's stated goals?

Commissioner Lopez. With respect to renewable energy activities, the monthly coordination meetings between the Power Program Services and Science and Technology offices have ensured that the requested funding levels for Reclamation's renewable energy efforts are utilized in the most efficient and effective way possible. Additionally, the Reclamation Sustainable Energy Strategy helps guide the renewable priorities, roles and responsibilities.

With respect to climate change adaptation, Reclamation has developed a comprehensive strategy (<http://www.usbr.gov/climate>) within which we have considered very carefully how to develop appropriate climate change adaptation strategies to ensure our capabilities to deliver on our contractual



obligations now and in the future. Reclamation's strategy includes four goals: increase water management flexibility, enhance climate adaptation planning, improve infrastructure resiliency, and expand information sharing.

Subcommittee. How do you intend to apply the information and analysis that results from these activities?

Commissioner Lopez. Reclamation has established a coordinated approach to achieve our strategic objectives related to renewable energy efforts, and these methods are described in the *Reclamation Sustainable Energy Strategy* and the *Sustainable Hydropower MOU* both located at [www.usbr.gov/power](http://www.usbr.gov/power). Fundamentally the approach is to utilize the information and analysis from these activities to engage our customers and stakeholders to incorporate any advancement in knowledge into Reclamation's sustainable hydropower decision making.

Reclamation has established a science-based approach to climate adaptation that is coordinated with customers and stakeholders. Reclamation's approach begins with identifying what technical and personnel capabilities exist or are needed to achieve four goals: increase water management flexibility, enhance climate adaptation planning, improve infrastructure resiliency, and expand information sharing. This is followed by close coordination with customers and stakeholders in the development of pilot and demonstration activities. A process and approach to implementation is then formalized through appropriate Reclamation policies and directives and standards based on the outcomes of those pilot and demonstration projects. This approach is highlighted within our Climate Change Adaptation Strategy (<http://www.usbr.gov/climate>).

Subcommittee. Why does Reclamation view work on non-hydro renewable energy to be an appropriate activity for Reclamation?

Commissioner Lopez. The vast majority of Reclamation's renewable energy work is focused on renewable sustainable hydropower, but as additional non-Federal non-hydro renewable resources are developed, Reclamation has an interest in how these renewable facilities will interact with Reclamation's mission to deliver water and hydropower. For context, Reclamation operates its hydropower facilities subject to the terms and conditions of water and power service contracts, and at most of these facilities, hydropower generation occurs in a water management context that

involves operating reservoir systems to satisfy multiple objectives including making water and power deliveries, flood risk reduction, and satisfaction of environmental requirements. By investigating the opportunities and challenges associated with integrating variable renewables, Reclamation will ensure that these activities will not negatively impact existing operations, the safety of our facilities, and other commitments (e.g. water and power contracts).

There has also been an increase in interest from non-federal developers to build non-hydro renewables on Reclamation lands, and Reclamation must be knowledgeable of and responsive to these inquiries. Finally, pursuant to Executive Order 13514, Reclamation has interest in understanding if there is opportunity for small scale non-hydro renewable projects to be incorporated into Reclamation’s project operations in a cost effective and beneficial way. Additional information concerning Reclamation’s renewable efforts is available in the *Reclamation Sustainable Energy Strategy* located at [www.usbr.gov/power](http://www.usbr.gov/power).

Subcommittee. For the record please provide a list of each funding line item and associated funding levels for Reclamation’s renewable energy (both hydro and non-hydro) and climate change-related activities in fiscal year 2016.

Commissioner Lopez. As stated above, the vast majority of Reclamation’s renewable hydropower activities, such as rehabilitation, replacements, and operations and maintenance of hydropower generating units, are carried out through direct funding by power customers or a Federal Power Marketing Administration. The following pertains to the request for appropriated funding.

Renewable Energy Funding Levels

Activity	Renewable Energy Request (in thousands of dollars)
Power Program Services – Renewable Energy component	1,300

Science and Technology - Renewable Energy component	1,520
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Climate Change funding levels

<b>Activity</b>	<b>Climate Change Request (in thousands of dollars)</b>
Basin Studies	5,200
Drought Response and Comprehensive Drought Plans	2,500
Science and Technology – Open Water Data Initiative	2,000
Science and Technology - Climate Impacts and Adaptation research	3,000

## **SIGNIFICANT BUDGET INCREASES**

### **SCIENCE AND TECHNOLOGY PROGRAM**

Subcommittee. The budget includes a significant increase for the Science and Technology Program – a 70% increase above fiscal year 2015. Can you please discuss what this increase will accomplish?

Commissioner Lopez. The \$6.8 million increased funding will provide:

\$3 million for continuation of Water and Power Solutions Technology Challenges (discussed below more fully in response to Question 6b).

\$2 million to begin Reclamation's Open Water Data Initiative (discussed below) more fully in response to Question 6c).

\$1.8 million to support increasing Research and Development efforts in the following areas:

- new solutions and better methods for conserving water,
- better understanding and predicting climate change/variability impacts on water resources, and
- developing climate change adaptation tools and training for water resource practitioners and managers.

Subcommittee. One component mentioned in the budget is Water and Power Technology Challenges, a program to use national prize competitions. How much funding is in the budget request for this particular activity? What specific issues does Reclamation intend to address with this prize challenge?

Commissioner Lopez. We are excited about this component, which holds great promise for innovative, outside-the-box outcomes. Prize challenges of this type have been proven to be highly cost-effective within the Federal Government. The FY 2016 request includes \$3.0 million to continue the prize competition program element into FY 2016.

An initial \$2 million was appropriated in FY 2014 to build program processes and capabilities needed to implement the new Prize Competition authorities under the American COMPETES reauthorization Act (15 USC 3719), and to support initial competitions which Reclamation will launch in the spring of 2015 on [www.Challenge.gov](http://www.Challenge.gov). FY 2014 appropriations will be expended or otherwise obligated by the end of FY 2015. No additional funding was requested for FY 2015 because at the time the FY 2015 Budget was developed, Reclamation hadn't yet demonstrated its capacity to effectively execute this type of prize challenge. Given the work we have accomplished to date, all that we have learned, and the potential benefit of our soon-to-be launched competitions, we are excited and optimistic about the benefits of this type of program and we are confident that we will have demonstrated our capacity and the program's effectiveness prior to final consideration of FY 2016 appropriations bills.

Program processes and capabilities will be in place at the start of FY 2016 that will allow Reclamation to more broadly engage the American public and private sectors to help us develop new and better solutions in the following areas critical to Western Water Management:

- Water Availability
- Water Infrastructure Sustainability
- Aquatic Ecosystem Restoration

We have branded the program element as the Water Prize Competition Center and recently launched the program webpage: [www.usbr.gov/research/challenges](http://www.usbr.gov/research/challenges). We have established collaborations with eight federal agencies that have agreed to work with us on designing and judging prize competitions on problems that are a shared priority for our agencies. Federal collaboration enables agencies to leverage Federal capabilities, catalyze interagency working relationships, better define and solve joint problems, avoid duplication, and find solutions that have a broader impact across the mission of multiple Federal agencies, the stakeholders we collectively serve, and overall public good.

The FY 2016 request will enable us to use these capabilities and collaborations to aggressively pursue solutions through prize competitions. Building on a successful roll-out of the Water Prize Competition Center, we plan to expand our outreach in FY 2016 to the private and non-profit organizations that are willing to co-sponsor future prize competitions. The FY 2016 request will also support larger-scale competitions, informed by lessons learned from the smaller-scale, initial prize competitions supported by our FY 2014 appropriation.

Subcommittee. One component mentioned in the budget is the Open Water Data Initiative, intended to make Reclamation's water and related data better managed and more accessible. How much funding is included for this particular activity? Will this be a one-time funding need or can we expect funding to be necessary in future years as well? Can you please discuss in more detail what Reclamation will be doing to accomplish these goals?

Commissioner Lopez. Reclamation's FY 2016 Science and Technology (S&T) program request includes \$2,000,000 for Open Water Data Initiative (OWDI) activities. This is not anticipated to be a one-time funding need, funding request are anticipated to continue for the next few years, but at significantly decreased levels.

The OWDI responds to growing stakeholder interest in improved public access to and easier exchange of data, promotes the sharing of data to better inform decisions, and supports modernization of data management technologies used in mission operations, climate and hydrology projections, restoration programs, and other mission areas. These are reflected in the goals put forth in the Federal Open Data Policy, in identification of data exchange needs conducted by other federal agencies and the western states (e.g., Western States Water Council's Water and Data Exchange effort), and in the foreseeable benefits to regional projects that integrate data sets for enhanced decision-making. Efforts also support the goals of the Federal OWDI, conducted under the auspices of the Advisory Committee on Water Information/Federal Geographic Data Committee, seeking to integrate fragmented water information and leverage existing systems, infrastructure and tools to underpin innovation, data sharing and solution development.

Reclamation is using FY 2015 S&T program funds to develop OWDI work plan for FY 2016 and beyond. Draft work plan elements for FY 2016 call on Reclamation to:

- Develop technical guidance to Regions for assembling and preparing datasets for online publishing in machine-readable, downloadable formats.
- Make initial water datasets available in on [data.doi.gov](https://data.doi.gov) by end of FY 2016, and prepare schedule for subsequent datasets publishing during future years.
- Work with other Reclamation communities to identify similar data publishing opportunities to be implemented in future years (e.g., hydropower, facilities, and lands).
- Evaluate candidate technologies to modernize underlying data systems.
- Utilize internal water data management networks spanning Washington, Denver and Region offices, working with water management partners, to define priorities for future OWDI activities and projects, ensure alignment with existing policies, and offer guidance on data management best practices.

## NATIVE AMERICAN AFFAIRS PROGRAM

Subcommittee. The budget request increases funding for the Native American Affairs program by 35% over last year's budget request. Additionally, the fiscal year 2015 work plan allocated additional funding to this program for the current year. Do you anticipate this higher funding level to be the new normal moving forward or do you see it as a more isolated or one-time increase with future years going back to previous funding levels?

Commissioner Lopez. During formulation of the FY 2016 Budget, it was determined that increased funding is necessary to support currently legislated schedules for enacted settlements and a more robust analytical approach to Indian water rights settlements. While decisions on the FY 2017 Budget are yet to occur, it is anticipated that the need for this additional funding will continue into the future.



## **FACILITIES OPERATION, MAINTENANCE AND REHABILITATION**

### **SAFETY OF DAMS ACT – AUTHORIZATION CEILING**

Subcommittee. Reclamation's budget indicates that reauthorization efforts for the Safety of Dams Act would need to be completed prior to submission of one of the modification reports planned in fiscal year 2016 and future modifications. Authorization extensions for the CALFED and Secure Water Act programs are included in this budget request even though those changes are not needed until after fiscal year 2016.

Why does the budget request not include any recommended changes for the Safety of Dams Act? Are you working with the authorizing committee on the necessary changes?

Commissioner Lopez. We are monitoring the dam safety program appropriations ceiling closely, and we believe that adequate program ceiling exists to extend through FY 2016. It is true however, that the program's ceiling will need to be raised before future modifications can proceed at some large out-year projects such as Scoggins Dam in Oregon. Reclamation testified in support of legislation to raise the program ceiling in the last congress (S. 1946, Wyden). The program ceiling will need to be addressed, however, and we are interested in working with Congress on similar proposals during this session.

Reclamation continues to respond to inquiries from House and Senate committee staffs on Safety of Dams legislation. We anticipate that similar legislation will be introduced this session. If so, it is expected to remedy Reclamation's SOD requirements. We will keep the Committee apprised of these efforts.

## SAFETY OF DAMS ACT – OTHER PROJECT BENEFITS

Subcommittee. The Safety of Dams Act specifically prohibits Reclamation from pursuing other project benefits when conducting dam safety modification reviews. The Committee has heard there is interest in amending the law to allow Reclamation to consider other project benefits, particularly additional water storage.

Can you explain the reasoning behind the current statutory prohibition on looking at these other benefits?

Commissioner Lopez. Section 3 of the Safety of Dams Act (Public Law 95-578, November 2, 1978) states: “Construction authorized by this Act shall be for purposes of dam safety and not for the specific purposes of providing additional conservation storage capacity or of developing benefits over and above those provided by the original dams and reservoirs.”

In the Legislative History of the SOD Act, page 4 of the then-House Interior and Insular Affairs Committee’s explanation of the legislation in House Report 95-1125 stated: “Section 3 limits the act to the purpose of dam safety and prohibits the increase in conservation storage capacity, the creation of new water resources development benefits, or the reimbursable costs of existing works.” Since the repayment considerations associated with dam safety work are much different from the repayment considerations for original project construction, it seems clear that Congress was deliberately separating these two activities so as to preserve the ‘beneficiaries pay’ principle associated with original project construction.

Subcommittee. Does Reclamation have a position on whether current law should be amended?

Commissioner Lopez. Reclamation and the Department have not had an opportunity to take a formal position on any particular legislation to amend the Safety of Dams Act to authorize additional project benefits in concert with dam safety modification work.

Subcommittee. If Reclamation would support changes, what changes would be appropriate? Are you working with the authorizing committees on these changes?

Commissioner Lopez. Reclamation and the Department would evaluate the legislation from the perspective of preserving the effectiveness of the dam safety program, while also upholding the ‘beneficiaries pay’ principle that underlies Reclamation law. It would be important to assure that all studies associated with increased project benefits undertaken in conjunction with dam safety work were authorized pursuant to Reclamation law. Appropriate construction cost allocation would need to be acknowledged in any amendment to the Safety of Dams Act authorizing the construction of additional project benefits. Reclamation is responding to technical questions from Congressional staff on these areas, but has not taken a position on any legislative proposal at this time.

## **WATERSMART PROGRAM**

### **DROUGHT RESPONSE AND COMPREHENSIVE DROUGHT PLANS**

Subcommittee. The budget request continues funding for a component of WaterSMART initiated in fiscal year 2015 – the Drought Response and Comprehensive Drought Plans. The fiscal year 2016 request is \$2.5 million. That's in addition to the allocation of \$5 million in fiscal year 2015, which was more than triple the original request last year.

Commissioner López, please describe what Reclamation has done to date under this new program.

Commissioner Lopez. In FY 2014, Reclamation reformulated its existing Drought Program to develop a new Drought Response Program to improve our ability to assist States, Tribes and local governments to prepare for and address drought in advance of a crisis. Funding for this program will be allocated on an annual basis through competitive processes to provide assistance to water users to conduct drought contingency planning, including consideration of climate change information, to take actions that will build long-term resiliency to drought, and to support emergency drought response actions. The proactive approach underlying this program is consistent with the President's Climate Action Plan, released in June 2013.

In February 2015, Reclamation published draft program criteria on our website for a 30-day public comment period ending March 12, 2015. Following consideration of comments received and any necessary revisions, FY 2015 funding opportunities for the Drought Response Program will be posted on [www.grants.gov](http://www.grants.gov) in April or May of 2015. Applicant proposals will be due 45-days from the date of posting, and awards of program funding will be made prior to the end of FY 2015.

Subcommittee. How can the Committee be certain this program is effective and should receive additional funding in fiscal year 2016 when we don't really have any activities or accomplishments yet to review?

Commissioner Lopez. The new Drought Response Program is part of Reclamation's WaterSMART Program and was developed based on experience and lessons learned from developing, implementing and improving the highly successful WaterSMART Grants Program over the last

five years. Like WaterSMART Grants, the new Drought Response Program will be implemented on a competitive basis, using a transparent approach, on a 50/50 cost-share basis. The Drought Response Program was developed using a Reclamation-wide team of experts with experience in planning, engineering, drought, and water conservation. The program criteria have been vetted publically by providing an opportunity for public comment. The proactive approach incentivized under the new program is also based on well-established principles supported by the National Drought Mitigation Center that 'mitigation' – taking steps ahead of time to prevent known impacts from a natural disaster, is more effective and cost effective than after-the-fact responses to drought.

Subcommittee. Do you anticipate using the entire fiscal year 2015 allocation in fiscal year 2015 or do you expect to carry over some funds into fiscal year 2016?

Commissioner Lopez. Reclamation will allocate FY 2015 funding through competitive funding announcements and awards will be made prior to the end of FY 2015. It is possible that some funding reserved for emergency response actions may be carried over. However, Reclamation has structured our funding opportunities to allow funding to be moved to those program elements with the highest demand. This program has three elements: (1) Drought Contingency Planning; (2) Drought Resiliency Actions; and (3) Emergency Response Actions. Reclamation may move funding between these three categories based on the response to program funding opportunities to be posted in April or May of 2015. This approach should help minimize the amount of carryover for this program.

## RESILIENT INFRASTRUCTURE INVESTMENTS

Subcommittee. The budget request increases funding for Resilient Infrastructure Investments – a component of the WaterSMART program initiated in fiscal year 2015 – by 67%. Can you please provide more details on what Reclamation is doing under this line item?

Commissioner Lopez. The increase in fiscal year 2016 of \$1.0 million is primarily to implement the prioritization criteria developed in fiscal year 2015 and evaluate its effectiveness in assuring that infrastructure investments give consideration to expected climate changes. Based on selected pilot projects, this will also involve work to modify existing design criteria. Additionally, this increase will be utilized to develop associated training materials.

Subcommittee. The budget documents make it seem similar in purpose to the Examination of Existing Structures line item. How do these two activities relate to one another, if at all?

Commissioner Lopez. The Examination of Existing Structures line item is focused principally on the funding of routinely scheduled formal reviews and examinations (condition assessments) of our dams and associated (water-related) facilities to ensure the structural integrity and operational reliability are adequate for continued delivery of authorized project benefits. The Resilient Infrastructure Investments line is specifically focused on evaluating appropriate ways to anticipate possible modifications to our infrastructure in adapting to future climate change impacts, rather than just a focus on the current condition of the facilities.

Subcommittee. Do you expect the Resilient Infrastructure Investments line item to continue in future years or will there be a point at which the activities are incorporated into individual project funding lines?

Commissioner Lopez. Following final validation of the prioritization and design criteria in fiscal year 2017, it is anticipated that the criteria will be applied to various infrastructure investments and activities going forward. It is not anticipated that this line item will continue in the long term.

## CURRENT DROUGHT

### STATUS UPDATE

Subcommittee. Much of the West and Southwest has been experiencing drought conditions, with California suffering the most severe conditions. Could you please provide an update on the current extent of the drought?

Can you provide any context for how this year compares to previous droughts?

Commissioner Lopez. This year's drought for several large areas of the Western United States is in Severe, Extreme, and Extraordinary conditions as defined by the U.S Drought Monitor (<http://droughtmonitor.unl.edu>) and is characterized as being Long Term in nature as defined as being greater than six months in duration. Even these characterizations do not relay the magnitude or severity facing some of the large water resource systems within the West. For example, the drought facing the Colorado River system has been ongoing for approximately the last 15 years. The levels of water within Lake Mead have dropped from approximately 95 percent full in 2000, to currently being approximately 40 percent full. The drought within portions of California has been stressing the systems and economy of the region for multiple years. These droughts are unprecedented within recent modern history during which time the Bureau of Reclamation has operated water management systems within the Western United States. The ongoing droughts in both California and the Colorado River system are the worst since Reclamation has been keeping records. Further, based on hydrology reconstructed from analysis of tree-rings it appears that these droughts are among the worst in the last 1200 years.

Subcommittee. Are there any indications or even hopes of relief on the horizon?

Commissioner Lopez. There are no indications that water supplies will increase in any substantial manner within the areas of the West suffering from the current drought. Current snowpack levels throughout the areas primarily supplied by snowmelt remain at significantly low levels relative to the long term average. This includes areas feeding the Colorado River as well as much of the California river systems and Oregon. The National

Oceanic and Atmospheric Administration Climate Prediction Center produces outlooks that indicate that for the majority of the areas affected by the drought, the impacts will actually intensify over the next three months (<http://www.cpc.ncep.noaa.gov>).

Water systems are designed to be resilient and significant improvements within the snowpack in the Colorado River system in any year or multiple consecutive years could improve conditions there. Within California, the region may experience atmospheric river events that could improve conditions. Yet there are currently no indications of either of these phenomena occurring.



## IMPACTS TO RECLAMATION PROJECTS

Subcommittee. Commissioner López, can you please describe the impacts of the drought on Reclamation facilities and projects?

Commissioner Lopez. Droughts have been declared in the States of California, Oregon, Nevada and Washington. The extreme and prolonged drought facing the Western States affects many major river basins in the Western States. The effects of the current drought on California's Sacramento and San Joaquin River Basins, water, its agricultural economy, and its communities are particularly acute. Another basin crucial for seven States and a number of Native American Tribes -- in addition to two countries—is the Colorado River Basin. Nearly 35 million people rely on the Colorado River for some, if not all, of their municipal and industrial needs. The Basin is currently experiencing a historic drought that has not been witnessed in over 100 years of recorded history. Lake Mead, behind Hoover Dam on the Colorado River, has reached its lowest level since filled more than 75 years ago. Snowpack, which acts like reservoir storage for many western basins, is below normal in many areas. Managing this limited amount of water is a very real challenge for our managers.

Subcommittee. To what extent have operational changes been necessary due to the drought?

Commissioner Lopez. Throughout the west, Reclamation constantly monitors and assesses the flow of water through our systems. For example, last year in Oregon, the Rogue River Project irrigation districts shut down irrigation deliveries early due to short water supplies. With the low snowpack this winter, we anticipate reduced deliveries again this year. The Yakima Basin has declared a 73 percent proration amount for their junior irrigators this year and that projection is likely to worsen as the year progresses. Reclamation anticipated this may be a problem in the Yakima Basin this year, so we worked to fill the reservoirs earlier than normal.

Reclamation has implemented two operational agreements in the Colorado River Basin since the start of that current 15-year drought that began in 2000: 1) the 2007 Interim Guidelines (in place until 2026) and 2) Minute 319 to the U.S. Mexico Water Treaty (in place from 2013 to 2017).

Both of these agreements implement voluntary reductions in water deliveries for U.S. Lower Basin water users and Mexico based on elevation triggers at Lake Mead. The 2007 Interim Guidelines and Minute 319 also put mechanisms into place to allow water users to intentionally create surplus apportionment or allocation and to store this water in Lake Mead.

Limited flows into the Bay-Delta region of the Central Valley of California have challenged the ability of the State and Federal projects to maintain adequate water quality in the Bay-Delta estuary which is the source of drinking water and other municipal and agricultural needs in the Delta. This has placed limits on the projects' ability to export water to areas south of the Delta. There is also concern about maintaining adequate cold water in up-stream reservoirs as needed to control river temperatures needed for the survival of sensitive fish species. These factors have forced Reclamation to adjust our pumping regimen which exports water south of the Delta; and adjusting reservoir releases as needed to maintain adequate outflow through the Delta in order to counteract tidal influences to maintain useable water quality in the Delta.

Subcommittee. What contingency planning, if any, are you doing to mitigate the impacts?

Commissioner Lopez. In order to cope with these very critical situations, project managers are doing many things. For example, in the Pacific Northwest Region we are assisting in the implementation of several WaterSMART and Water Conservation grants for both the Vale and Owyhee Projects in Oregon as well as assisting the four districts in the Owyhee Project develop a more accurate water accounting system. In Washington State, Reclamation, the Yakima Basin, the Yakama Nation and the Washington State Department of Ecology met to discuss possible actions in case drought conditions worsen this year. Specific actions include, having senior irrigators fallow land to provide water to junior irrigators; recovering return flows to use in one district that facilitates an exchange with a junior district; buying or leasing senior water rights in tributaries; and allowing the pumping of groundwater.

On the Colorado River system, in July 2014, Reclamation joined municipal water users from the Lower Basin [the Central Arizona Water Conservation District (CAWCD), the Metropolitan Water District of Southern California (MWD), and the Southern Nevada Water Authority (SNWA)] and from the

Upper Basin (Denver Water) to fund a System Conservation Pilot Program. In total, \$11 million have been provided (\$3 million from Reclamation and \$2 million from each of the four funding partners) for voluntary pilot programs to create system water that will remain in Lake Powell and Lake Mead to forestall water shortages. It is anticipated that the first implementation agreements in the Lower Basin will be signed this spring and probably later in the year in the Upper Basin.

Reclamation also joined the three Colorado River Lower Basin states (Arizona, California and Nevada) and CAWCD, MWD, and SNWA in a Memorandum of Understanding (MOU) for Pilot Drought Response Actions. As part of this MOU, the participants' goal is to generate 740,000 acre-feet of water to benefit Lake Mead's elevation from 2014 to 2017, and to generate a total of 1.5 to 3.0 million acre feet of water for Lake Mead from 2014 to 2019. Reclamation has committed to making infrastructure improvements to help meet this goal.

In the Upper Basin of the Colorado River, Reclamation is supporting the efforts of the Upper Basin states (Colorado, New Mexico, Utah and Wyoming) to evaluate the efficacy of extending the operation of Colorado River Storage Project (CRSP) reservoirs to maintain water levels in Lake Powell.

In California, Reclamation has worked with State and Federal representatives in developing a Drought Contingency Plan. Reclamation has also been meeting on a continual basis with State and Federal agencies as well as with our water contractors in an effort to respond to changing conditions, urgent needs, and assure clear and open lines of communication.

In January 2015, Reclamation and the State submitted to the State Water Resources Control Board a Drought Contingency Plan for 2015. Subsequently, Reclamation and the State petitioned the Board for relief from certain water permit conditions to allow for better management of water supplies and allow for increased export pumping with certain conditions. The State Board has conditionally granted relief from permit conditions and responded positively to requests to increase exports needed to address critical public health and safety needs.

## FISCAL YEAR 2015 WORK PLAN

Subcommittee. The fiscal year 2015 Act included \$50 million in additional funding for Western Drought Response. Please discuss how Reclamation plans to use this additional funding.

Reclamation was directed to allocate the additional funding to those activities that would have the most direct, most immediate, and largest impact on extending limited water supplies during current drought conditions. What kind of analysis did Reclamation use to determine that the selected activities would meet the congressional directive?

Commissioner Lopez. For the \$50.0 million provided for Western Drought Response, the Explanatory Statement includes language for Reclamation “to respond to the impacts of the drought and to work with water districts and other users to provide increased efficiency and conservation of available water.”

Reclamation based its decisions on a thorough review at the regional, program and national level to ensure a balanced approach that considered projects and programs on the basis of the directions contained in the Explanatory Statement, while adhering to existing authorizations, mission priorities and relevance to strategic goals and program objectives. In many cases, the funding enables Reclamation to respond directly and immediately to many of the most critical impacts caused by the current Western drought, to advance means of alleviating future drought impacts, and to directly reduce future drought impacts. In other cases, the funding is enabling Reclamation to advance measures to prepare for, and alleviate, the effects of future periods of prolonged drought.

In addition, the selection of the specific projects for Western Drought Response clearly identified their nexus to alleviating the impacts of the current drought. Finally, while drought has adversely affected many communities in the West, we allocated the funding to areas where a high intensity level of drought is found. The allocations to the specific projects were based on a careful review all of the affected areas and applied “on-the-ground”, professional judgment as to where the funds could best be used to mitigate the impact to severely affected drought communities and areas.

Of note, a substantial portion of the drought funding (\$19.9 million) was allocated to the Central Valley Project (CVP) in California, at the cumulative project level. Although there are specific needs for the divisions listed within the CVP project, Reclamation's proposal maintains the maximum flexibility to respond quickly to the greatest water needs—or those that affect the largest population—that are triggered by spring's hydrological manifestations. CVP water project operators continue to monitor daily "real time" conditions with fisheries and water quality experts to effectuate timely changes to dynamic or emergent water operations. Specific division activities have been identified, along with the level of funding for each, in the event that funds are not needed for emergent drought requirements.

## FISCAL YEAR 2016 BUDGET REQUEST

Subcommittee. Mr. Commissioner, how much funding is included in the fiscal year 2016 budget request specifically to respond to current drought conditions?

Commissioner Lopez. Reclamation's response to drought is not merely a few programs, nor limited to additional dollars, but rather it is embedded in the fabric of what the agency does to meet its mission to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public. As such, most of the 2016 budget request will be used to address current and future drought conditions. Reclamation continuously focuses on addressing imbalances between water demands and water supply over time (e.g., through multi-year storage). In response to the current drought, Reclamation project managers continue to monitor the hydrological situation and make any adjustments possible to mitigate its effects.

Subcommittee. Are there operational or other expenses that you would not have planned or budgeted for fiscal year 2016 if we weren't experiencing extreme drought conditions right now?

Commissioner Lopez. Reclamation continues to reach out to stakeholders to encourage mutually beneficial coordination and activities during this time of extreme drought. This includes activities throughout the Central Valley Project, the Colorado River Basin and the Pacific Northwest. For example, Reclamation has implemented two operational agreements in the Colorado River Basin: the 2007 Interim Guidelines and Minute 319 to the U.S. Mexico Water Treaty. Both of these agreements implement voluntary reductions in water deliveries for Lower Basin water users and Mexico based on elevation triggers at Lake Mead. The 2016 budget request does not specifically identify how much each program or project spends on addressing current drought conditions. In many aspects, the entire budget for Reclamation may be considered a drought program since the mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

Subcommittee. Please list each activity, including funding amount and line item, considered by Reclamation as specifically addressing current drought conditions.

Commissioner Lopez. Specific bureau wide programs that will address the current drought situation in the 2016 budget include \$2.5 million for Drought Response and Comprehensive Drought Plans, part of WaterSMART. This program will award funding under three program elements to develop and update comprehensive drought plans; implement projects that will build long-term resiliency to drought; and 3) implement emergency response actions. In addition, the 2016 budget includes \$23.4 million for WaterSMART Grants, through which non-federal entities complete water management improvement projects within two to three years from the date of award, resulting in near-term, on-the-ground improvements that increase flexibility for water managers. The 2016 budget also includes \$20 million for the Title XVI Water Reclamation and Reuse Program, another component of WaterSMART, primarily for funding of congressionally authorized water reuse projects. Water recycling provides a local water supply that is often drought-resistant, since sources such as treated municipal wastewater continue to be available during periods of water shortage.

## CVP OPERATION AND MAINTENANCE RATES

Subcommittee. The Central Valley Project is operationally and financially integrated, meaning construction and operation and maintenance costs are pooled across the system and allocated accordingly. The Committee strongly supports this model. The Committee has heard concerns, however, that during extraordinarily severe drought years – such as the current drought – in which very little water is delivered to CVP water contractors, this approach can lead to disproportionate operation and maintenance rates for the contractors that receive very little of their allocated water.

Mr. Commissioner, can you please discuss generally how Reclamation allocates operation and maintenance costs to Central Valley Project water contractors?

Commissioner Lopez. Estimated O&M costs are allocated to CVP water contractors through annual water rates. Per the Reclamation Project Act of 1939, CVP water contractors are required to pay two months in advance for anticipated water deliveries. Water rates are calculated based on annual estimated O&M costs per the President's budget and estimated water deliveries for the year. Per the 1988 Irrigation Rate setting Document (Rate setting policy), estimated annual reimbursable O&M costs are segregated into six different cost pools; Water Marketing, Storage, Conveyance, Conveyance Pumping, Direct Pumping, and the San Luis Drain. The estimated O&M costs are then divided by anticipated water deliveries for those contractors included in each of the cost pools in order to determine an estimated cost per acre foot for each of the six cost pools. Per current rate setting practice, a 5 year historical average of water deliveries is used as the basis for calculating the anticipated deliveries for the year.

A contractor's O&M component of the water rate (or estimated allocation of O&M cost) is comprised of the estimated per acre foot cost for each of the cost pools that the contractor is included in, times the contractor's estimated water deliveries for the year. All contractors are included in the Water Marketing cost pool, and all but those contractors with class 2 water deliveries are included in the Storage cost pool. The assignment of contractors to the remaining cost pools vary by contractor, which is why the O&M component of the water rate varies by contractor.



Allocation of Actual O&M Costs - Actual O&M costs are allocated to CVP water contractors based on actual delivered acre feet of water. Per Title 34 of Public Law 102-575, section 3405(d)(4), water contractors can only be charged for water actually delivered. The actual O&M costs are segregated among the six different cost pools described in Rate setting policy, and then divided by total actual delivered acre feet of water for the year for those contractors included in each of the six cost pools in order to determine an actual cost per acre foot. A contractor's actual O&M cost for the year is comprised of the actual per acre foot cost calculated for each cost pool the contractor is included in, times the contractor's actual delivered acre feet of water for the year.

Regarding the concern of disproportionate O&M rates, the 2015 CVP water rates were calculated during the months of July 2014 through December 2014, before the rainy season in the Central Valley. At that time, the type of water year was unknown. Per current rate setting practice, a five year historical average was used to estimate the water deliveries for purposes of setting the 2015 water rates. Approximately 2.3 million acre feet was estimated for irrigation water and approximately 75 thousand acre feet for municipal and industrial (M&I) water.

In a press release on February 27, 2015, the Mid-Pacific Region announced the forecasted water supply for 2015. The allocation of CVP water for irrigation was announced as 0%, and the allocation for M&I water was announced as the higher of the amount required to meet public health and safety needs, or at least 25% of historical use. With the new 2015 projected delivery information for the CVP, the water contractors identified that the estimated delivery information used as the basis for setting the 2015 water rates was severely over estimated. This means that when the final contractor accountings are completed for 2015, the actual cost per acre foot for each of the cost pools will be much higher than what was estimated per the water rates. Actual O&M costs will have to be spread over less delivered acre feet of water and to fewer contractors.

Even though there is a 0% allocation of water for irrigation and a small allocation of water for M&I, there will still be deliveries for both types of water. Many contractors have rescheduled water that they will take during the year. Also, if hydrological conditions improve, the water allocations may be revised for certain areas of the Central Valley. Based on current conditions, and anticipated deliveries for both irrigation and M&I water,

Reclamation has projected that CVP water rates could potentially be underestimated by as much as \$79 per acre foot for irrigation water and \$14 per acre foot for M&I water. The underestimated water rates could result in water contractors incurring an interest bearing O&M deficit for 2015.

Subcommittee. When allocating costs, does Reclamation make a distinction between regular maintenance activities and more capital improvement types of maintenance activities when allocating costs?

Commissioner Lopez. Yes, Reclamation does separately identify regular annual O&M costs and extraordinary O&M (XO&M) costs when distributing costs to contractors for repayment. For both the water rates and the annual contractor accountings, the estimated and actual O&M and XO&M costs are reported as separate line items to ensure that contractors are easily able to identify the capital improvement types of maintenance separately from routine annual maintenance.

**CALFED****WATER STORAGE STUDIES**

Subcommittee. The request for the California Bay-Delta Restoration account includes funding for several water storage feasibility studies. The Committee was told last year that two of these studies – the Shasta enlargement study and the Upper San Joaquin River Basin study – would be completed by the end of fiscal year 2015. Is Reclamation still on track to complete these studies? If so, what will Reclamation accomplish with the fiscal year 2016 request?

Commissioner Lopez. Yes, Reclamation is on track to complete these studies by the end of fiscal year 2015. In FY 2016, for these two studies, Reclamation plans to continue post-feasibility activities that include responding to Congressional questions, preparing materials for potential cost share partners, such as the State of California, preparing Notices of Availability, and continued public and stakeholder involvement activities.

Subcommittee. The Committee was told that the other two studies – the Los Vaqueros expansion study and the Sites Reservoir study – were more or less on hold pending non-federal sponsor funding participation. What is the current status of these studies and what will be accomplished with the fiscal year 2016 request?

Commissioner Lopez. For these two studies, Reclamation will continue focusing on the environmental analyses, engineering design and cost estimates, economic and financial analyses, identification of recommended plans, and the development of planning reports and supporting documentation within the existing cost share limitations. Reclamation is working with the Sites Joint Powers Authority (JPA) and Contra Costa Water Districts to develop detailed tasks that could be funded by one or the other party pursuant to a Memorandum of Understanding for cost sharing.

Subcommittee. The Committee has heard that local stakeholders are interested in the possibility of implementing the Sites Reservoir project with little to no federal funding. They've been running into difficulties during the study phase, however, because the policies that govern developing federal projects do not necessarily align with the type of project they would be able

to implement using funding sources and mechanisms available to them. Are you aware of this issue? What is the current status of cooperation between Reclamation and the local interests?

Commissioner Lopez. Reclamation is aware of the Sites JPA concerns and is working closely with them to identify the specific tasks required to add a locally preferred alternative to the feasibility and environmental studies. As previously stated, Reclamation is working with the Sites JPA to develop detailed tasks that could be funded by one or the other party pursuant to a Memorandum of Understanding for cost sharing.

Subcommittee. If additional funding above the budget request were to be available, would Reclamation be able to use any of it on these four studies in fiscal year 2016?

Commissioner Lopez. If formal cost sharing agreements are in place for non-federal funds, Reclamation would have the capability to expend additional funds to further studies on Los Vaqueros Enlargement and North-of-the-Delta Offstream Storage (NODOS).

## BAY-DELTA CONSERVATION PLAN

Subcommittee. Can you please provide an update on the status of efforts on the Bay-Delta Conservation Plan? What has been the federal role to date?

Commissioner Lopez. The Draft Bay Delta Conservation Plan (BDCP) and associated Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS) were released in December of 2013. The public review and comment period ended in July of 2014. Currently, the Federal and State Lead agencies are reviewing the public comments on the Draft BDCP and Draft EIR/EIS. In August 2014, it was announced that a partially Recirculated EIR/Supplemental EIS would be released in spring 2015 to address public comments and make revisions to the document.

Representatives from the California Department of Water Resources (DWR), California Department of Fish and Wildlife, U.S. Fish and Wildlife Service (USFWS), National Marine Fisheries Service (NMFS), and Reclamation formed a team to develop an approach for the Endangered Species Act (ESA) Section 7 consultation process. The team meets on a weekly basis and is making progress on the process.

To date, Reclamation's role in the BDCP planning process has included close coordination and engagement with the State and Federal Lead agencies in developing the Draft EIR/EIS, Draft BDCP, and Draft Implementing Agreement. Reclamation has also been actively involved in the ESA Section 7 consultation process.

Subcommittee. What is the purpose of the funding included in Reclamation's fiscal year 2016 budget request?

Commissioner Lopez. Reclamation's activities in fiscal year 2016 budget include active participation in the ESA Section 7 consultation process and continuing any necessary environmental review and comment processes, such as those required for NEPA. Funding would also allow Reclamation to continue coordination with the State of California on future legal and permitting activities, such as obtaining permit(s) from the State Water Resources Control Board for a new point of diversion in the north Delta.

Subcommittee. What federal role is envisioned under the current Plan? What would be the federal costs? Are those costs related to Reclamation activities or would other federal agencies be involved as well?

Commissioner Lopez. Under the State's Draft BDCP, Reclamation would be an "authorized entity" in the implementation of the BDCP along with DWR and State Water Project (SWP) and Central Valley Project (CVP) contractors that would receive ESA take authorizations pursuant to the BDCP. As stated in the State's Draft BDCP and Draft Implementing Agreement, the general obligations of the authorized entities would include implementing the conservation measures as specified in the BDCP, participating in the Adaptive Management and Monitoring Program, and funding a portion of the conservation strategy.

Related to operations, the new conveyance facilities and/or flow patterns proposed under the BDCP would require changes to existing CVP operations specific to the Delta that provide for diversion, storage, and conveyance of CVP water consistent with applicable law and contractual obligations. Reclamation's action in relation to the BDCP would be to adjust CVP operations in the Delta to accommodate new conveyance facility operations and/or flow requirements under the BDCP, in coordination with SWP operations.

We are still analyzing Reclamation's share of the costs in the implementation of the BDCP.

**MISCELLANEOUS****ANIMAS-LAPLATA PROJECT COORDINATION WITH WAPA**

Subcommittee. The explanatory statement accompanying the fiscal year 2015 Act included language directing the Western Area Power Administration and the Bureau of Reclamation to work together to ensure that future budget requests include appropriate funding for certain activities related to the Animas-LaPlata project such that costs will not be shifted to power customers who receive no benefit from the activities.

Have the agencies begun these conversations yet? If so, what is the status of discussions? If not, why not and when do you anticipate beginning these discussions?

Commissioner Lopez. Reclamation and Western Area Power Administration (Western) have had conversations on the Animas-La Plata project costs. Since the purpose of Animas-La Plata is solely directed to municipal and irrigation (M&I) water supply activities, the power customers are not responsible for the costs. Neither agency has any Animas-La Plata costs in the budget plan that would be included in the Power Repayment Study and repaid by power customers.

Western is in the process of determining who is responsible for the operation and maintenance costs associated with the transmission line. We understand in discussions with Western that, if it is determined Western is responsible for the operation and maintenance (O&M) of the line, they have already received appropriated funding for that work. The power customers would not be responsible for repayment of those costs.

## NON-FEDERAL COST SHARE REQUIREMENTS

Subcommittee. Some of Reclamation's programs and activities, including activities carried out under the Central Valley Project Improvement Act, the CALFED program, and the San Joaquin River Restoration program, have non-federal cost share components.

To what extent does Reclamation consistently plan for and track budget data provided by these non-federal partners to ensure that cost share requirements are met?

Commissioner Lopez. CALFED Program: Most of the CALFED projects and programs include non-federal cost share. The mechanisms for tracking and planning non-federal cost share are unique to each project/program. Mechanisms range from tracking individual project cost share requirements on a project-by-project basis through financial assistance agreements (e.g., water conservation and San Joaquin River Salinity Management) to programs where a project might be funded mostly by one organization, but overall, the program has significant non-federal cost share (storage studies and science).

Central Valley Project Improvement Act (CVPIA): The CVPIA established a Sharing of Costs Agreement for Mitigation Projects and Improvements (SCAMPI) to manage cost-share. SCAMPI is administered for the State of California by the California Department of Water Resources and the California Department of Fish and Wildlife. The original SCAMPI from 1994 expired December 31, 2014 and was replaced with a new agreement, the SCAMPI II. Under SCAMPI II, cost share is coordinated through the development of Task Orders for the estimated expenditures on the individual provisions of the CVPIA with actual expenditures reported quarterly and reconciled annually.

San Joaquin River Restoration Program (SJRRP): Under the San Joaquin River Restoration Program, the non-federal cost share is limited to the projects authorized under Section 10202 of Public Law 111-11. Section 10202 authorizes the Secretary of the Interior to provide financial assistance for the planning, design, environmental compliance, and construction of local facilities to bank water underground or to recharge groundwater to reduce, avoid or offset the impacts of the Restoration Program. Section 10202(b)(3)(C) requires a cost share agreement and Section 10202(d)



specifies that the Secretary is limited to 50 percent of the planning, design, environmental compliance, and construction costs of the project. Reclamation has awarded four financial assistance agreements consistent with Section 10202. The non-federal partners' cost contributions are tracked as part of the invoicing process for these projects to ensure that the cost share requirements are met.

Subcommittee. How does Reclamation coordinate with other federal and non-federal partners to ensure that cost share requirements are met within reasonable timeframes for project effectiveness?

Commissioner Lopez. CALFED: Reclamation project managers meet regularly with our non-federal partners to track current progress, and plan future activities and expenditures. These coordination meetings occur monthly or quarterly depending on the project/program. The meetings include a focus on monitoring performance, as well as status update the schedule and funding milestones.

CVPIA: The SCAMPI II proscribes coordination first through the annual development of work plans, second through Task Orders, and third through reporting on expenditures. Task Orders provide a specific period of performance. In the absence of sufficient documentation of costs or the inability to reach agreement on a Task Order, parties may cease expenditures on restoration actions that have not established cost-share.

SJRRP: See response above. In addition, consistent with the Guidelines required as part of Section 10202(c), the recipient is to identify the cost share and plan for meeting the cost share requirements as part of their proposal for funding under Section 10202. This is evaluated as part of the competitive selection process for funds awarded under Section 10202.

**QUESTIONS FROM MS. ROYBAL-ALLARD OF CALIFORNIA****REUSE**

Ms. Roybal-Allard. According to a 2014 analysis released by the Pacific Institute and the Natural Resources Defense Council, the process of water reuse is an essential but too often overlooked tool in stretching the limited water supplies in the West.

What is the Bureau of Reclamations planning to do to increase its water reuse authority?

Commissioner Lopez. Reclamation continues to view recycled water as an important tool in meeting future water demands and achieving a sustainable water strategy to meet the Nation's water needs. Reclamation's current focus is to make funding available to the existing congressionally authorized Title XVI projects that most closely match the overall goals of the program so that those projects can complete construction and begin to deliver additional water as soon as possible.

Funding is allocated among congressionally authorized Title XVI projects using criteria intended to identify the Title XVI projects that most effectively stretch water supplies and contribute to water supply sustainability; address water quality concerns or benefit endangered species; incorporate the use of renewable energy or address energy efficiency; deliver water at a reasonable cost relative to other water supply options; and that meet other important program goals. Reclamation has incorporated these criteria into funding opportunity announcements used each year to invite sponsors of authorized projects to apply for funding.

Ms. Roybal-Allard. How much funding was requested for reuse and is this enough given the current drought situation in the western states?

Commissioner Lopez. The FY 2016 budget of \$20 million for Title XVI indicates the key role of water reuse but also reflects the need to balance competing budget priorities, including funding of other critical Reclamation programs. Reclamation believes that the requested amount will allow for the continued construction of the Title XVI projects that most effectively stretch water supplies and contribute to water supply

sustainability, thereby helping to provide flexibility for water managers as soon as possible.



# WITNESSES

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	Page
Bostick, General T. P .....	1
Darcy, Jo-Ellen .....	1
Lopez, E. R .....	97