

Calendar No. 624

105TH CONGRESS }
2d Session }

SENATE

{ REPORT
105-375

RECLAMATION PROJECTS AUTHORIZATION AND ADJUSTMENT ACT OF 1992

OCTOBER 7 (legislative day, OCTOBER 2), 1998.—Ordered to be printed

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

REPORT

[To accompany S. 2140]

The Committee on Energy and Natural Resources, to which was referred to the bill (S. 2140) to amend the Reclamation Projects Authorization and Adjustment Act of 1992 to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Denver Water Reuse project, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE MEASURE

The legislation modifies title XVI of the Reclamation Projects Authorization and Adjustment Act of 1992 that establishes a program of water reclamation and reuse projects to include a Denver Water Reuse Project.

BACKGROUND AND NEED

Title XVI of the Reclamation Projects Authorization and Adjustment Act of 1992 (P.L. 102-575, 106 Stat. 4006) authorized a program of wastewater reclamation and reuse feasibility and demonstration projects within the Reclamation States. The Federal share of the costs was limited to 50%. In addition, several individual studies were directed as well as 5 projects (San Jose, Phoenix, San Diego, Los Angeles, and San Gabriel Basin) for which funding was limited to 25%. The legislation was directed at reuse of existing supplies and did not address desalination although title XI of P.L. 102-575 did authorize a program to research and demonstrate

methods for control of salinity at Salton Sea, California with 50% federal cost-sharing. Partially in response to the number of requests for participation in the program and the anticipated costs, P.L. 104-266 modified the program to limit Federal contributions to 25% of the total cost to a maximum of \$20 million and required a feasibility analysis prior to the expenditure of any funds for construction. The new requirements were not made applicable to the several very large projects, mainly in California, authorized under Title XVI. The FY'99 budget proposal from the Department requested a total of \$27 million for the program.

The importance of the use of reclaimed water in the arid West is significant, especially in areas experiencing groundwater overdraft or facing reduced freshwater supplies. While municipal uses are the primary beneficiaries of the program, there can be significant indirect benefits to other consumptive uses, such as agriculture, and non-consumptive uses, such as augmenting in-stream flows or reducing depletions.

The Denver Nonpotable Reuse Project will treat secondary wastewater for irrigation and industrial uses around the Denver International Airport and Rocky Mountain Wildlife Refuge. The project ultimately is designed to provide 15,000 acre feet freeing up potable supplies for 30,000 homes. The reuse will also aid Denver in complying with the Blue River Decree, signed by the Secretary of the Interior, under which Denver conveys water from Colorado's western slope to its eastern slope customers. The total project cost for all three phases is about \$100 million. Under the limitations of P.L. 104-566, the federal participation will be limited to \$20 million, notwithstanding the 25% limitation in the legislation.

LEGISLATIVE HISTORY

S. 2140 was introduced by Senator Campbell on June 5, 1998. A hearing was held by the Subcommittee on Water and Power on June 16, 1998.

At the business meeting on September 23, 1998, the Committee on Energy and Natural Resources ordered S. 2140 favorably reported without amendment.

COMMITTEE RECOMMENDATIONS AND TABULATION OF VOTES

The Committee on Energy and Natural Resources, in open business session on September 23, 1998, by a unanimous voice vote of a quorum present, recommends that the Senate pass S. 2140, without amendment.

SECTION-BY-SECTION ANALYSIS

The legislation is self-explanatory.

COST AND BUDGETARY CONSIDERATIONS

An estimate of the cost of this measure has been requested from the Congressional Budget Office, but has not been received as of the date of filing of this report. When the estimate is received, the Chairman will have it printed in the Congressional Record for the advice of the Senate. S. 2140 limits the Federal cost-share to 25%

of the projects estimated \$100 million total cost. Under the limitations of Public Law 104-566, Federal funding for a specific wastewater project is limited to no more than \$20 million.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of Rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 2140. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

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

Little, if any, additional paperwork would result from the enactment of S. 2140, as ordered reported.

EXECUTIVE COMMUNICATIONS

On June 8, 1998, the Committee on Energy and Natural Resources requested legislative reports from the Department of the Interior and the Office of Management and Budget setting forth Executive agency recommendations on S. 2140. These reports had not been received at the time the report on S. 2140 was filed. When the reports become available, the Chairman will request that they be printed in the Congressional Record for the advice of the Senate. The testimony provided by the Commissioner of the Bureau of Reclamation, Department of the Interior, at the Subcommittee hearing follows:

STATEMENT OF ELUID L. MARTINEZ, COMMISSIONER, U.S. BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR

Thank you for the opportunity to appear today to provide the Administration's views on S. 2140.

S. 2140, TO AUTHORIZE THE SECRETARY OF THE INTERIOR TO PARTICIPATE IN THE DESIGN, PLANNING AND CONSTRUCTION OF THE DENVER WATER REUSE PROJECT

S. 2140 would amend the Reclamation Projects Authorization and Adjustment Act of 1992 to authorize the Secretary of the Interior to participate in the design, planning and construction of the Denver Water Reuse Project in the service area of the Denver Water Department in the City and County of Denver, Colorado. S. 2140 would limit the Federal share of project costs to 25 percent of the total costs and restricts the Secretary from providing funding for the operation and maintenance of this project.

Mr. Chairman, in 1992, Congress adopted and the President signed the Reclamation Projects Authorization and Adjustment Act. Title XVI of this Act, the Wastewater and Groundwater Study and Facilities Act, authorized the construction of five water reclamation and reuse projects. Four of these projects are in California and the fifth is in Arizona. The Secretary was also authorized to undertake a program to identify other water recycling opportunities

throughout the 17 western United States, and to conduct appraisal level and feasibility level studies to determine if those opportunities are worthy of implementation. The Bureau of Reclamation has been administering a grant program to fund these Title XVI projects since FY 1994.

In 1996, Public Law 104–266, the Reclamation Recycling and Water Conservation Act, was enacted into law. This Act amended Title XVI and authorized the Secretary to participate in the planning, design and construction of 18 additional projects, including two desalination research and development projects. These new projects are distributed within five states, including California, Nevada, Utah, Texas and New Mexico. To date, funding has been provided by Congress to construct four of the original 1992 projects and four of these newly authorized projects. Water reclamation and reuse efforts, such as municipal, industrial, domestic, and agricultural wastewater reuse, can assist states and local communities in solving contemporary water supply problems. However, these projects involve public functions that historically have been the responsibility of local communities. In addition, the Department opposes authorizing additional projects in the absence of studies to determine whether these particular projects warrant Federal funding. The Department also opposes enactment of this legislation because authorizing such new projects is likely to have the effect of adversely impacting other ongoing Bureau of Reclamation activities.

To date, Reclamation has not completed the Federal funding of any of the water reclamation and reuse projects presently authorized by title XVI. At current funding levels, it will take Reclamation more than 10 years to complete funding of the currently authorized projects.

For all of the above reasons, the Department of the Interior and the Bureau of Reclamation cannot support authorizing this new construction request.

That concludes my prepared testimony, I would be happy to answer any questions.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill S. 2140, as ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

RECLAMATION PROJECTS AUTHORIZATION AND ADJUSTMENT ACT OF 1992

PUBLIC LAW 102–575—OCT. 30, 1992

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SEC. 2. DEFINITION AND TABLE OF CONTENTS.

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

TABLE OF CONTENTS

Sec. 1. Short title.

Sec. 2. Definition and table of contents.

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TITLE XVI—RECLAMATION WASTEWATER AND GROUND WATER STUDIES

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Sec. 1630. Tooele Wastewater Treatment and Reuse Project.

Sec. 1631. *Denver Water Reuse Project.*

Sec. [1631] 1632. Authorization of appropriations.

Sec. [1632] 1633. Ground water study.

Sec. [1633] 1634. Authorization of appropriations.

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SEC. 1631. DENVER WATER REUSE PROJECT.

(a) *AUTHORIZATION.*—*The Secretary, in cooperation with the appropriate State and local authorities, may participate in the design, planning, and construction of the Denver Water Reuse project to reclaim and reuse water in the service area of the Denver Water Department of the city and county of Denver, Colorado.*

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

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

SEC. [1631] 1632. AUTHORIZATION OF APPROPRIATIONS.

(a) There are authorized to be appropriated such sums as may be necessary to carry out the purposes and provisions of sections 1601 through [1630] 1631 of this title.

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SEC. [1632] 1633. GROUNDWATER STUDY.

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(c) The report shall be submitted to the Committees on Appropriations and Interior and Insular Affairs of the House of Representatives and the Committees on Appropriations and Energy and Natural Resources of the Senate within three years of the appropriation of funds authorized by section [1633] *section 1634.*

SEC. [1633] 1634. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for fiscal years beginning after September 30, 1992, \$4,000,000 to carry out the study authorized by [section 1632] *section 1633.*