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106TH CONGRESS, *1st Session* | SENATE | REPORT 106–18

PERKINS COUNTY RURAL WATER SYSTEM ACT OF 1999

MARCH 17, 1999.—Ordered to be printed

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

REPORT

[To accompany S. 243]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 243) to authorize the construction of the Perkins County Rural Water System and authorize financial assistance to the Perkins County Rural Water System, Inc., a nonprofit corporation, in the planning and construction of the water supply system, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE MEASURE

The purpose of S. 243, as ordered reported, is to authorize grants for the construction of a rural water system in Perkins County, South Dakota.

BACKGROUND AND NEED

Perkins County is located in Northwest South Dakota on the border with North Dakota. Like many areas in the High Plains, there are insufficient water supplies of reasonable quality and those that are available do not meet minimum health and safety standards. In 1982 a study was undertaken on the feasibility of building a system that could connect with the proposed Southwest Pipeline Project in North Dakota, a part of the Garrison Diversion Conservancy District. Under the North Dakota Century Law, a Perkins County connection was included under the original authorization for the Southwest Water Authority. In the early 1990's, South Dakota provided the funds for a feasibility study on an 80–20 match with the County. The feasibility study was completed in 1994 and

showed that obtaining water from the Southwest Water Authority was the most feasible option and that the system would cost approximately $20 million. As part of the original agreement with North Dakota, Perkins County would be able to obtain water at the operation and maintenance cost if it furnished about $5.5 million to increase the pipe capacity to provide 400 gallons/minute. Since Southwest is an ongoing project, $440,000 was provided in 1996 and $550,000 in 1997. An additional $4.5 million will need to be provided to North Dakota during construction of the Perkins County connection to reimburse work already completed. The legislation provides for a 75–25 Federal-local cost share with a total authorization of $15 million.

LEGISLATIVE HISTORY

S. 243 was introduced on January 19, 1999 by Senator Johnson. S. 243 is identical to the version of S. 2117 that passed the Senate in the 105th Congress. A hearing was held on S. 2117 by the Subcommittee on Water and Power on July 14, 1998 and the bill was ordered reported by the Committee on September 23, 1998. (Report 105–368) S. 2117 passed the Senate by Unanimous Consent on October 7, 1998.

At its business meeting on March 4, 1999, the Committee on Energy and Natural Resources ordered S. 243 favorably reported.

COMMITTEE RECOMMENDATIONS

The Committee on Energy and Natural Resources, in open business session on March 4, 1999, by a unanimous voice vote of a quorum present, recommends that the Senate pass S. 243, as described herein.

SECTION-BY-SECTION ANALYSIS

Section 1 provides a short title.

Section 2 provides a series of findings and purposes.

Section 3 provides a series of definitions.

Section 4(a) authorizes grants from the Secretary of the Interior for planning and construction of the system and for repairs to the existing distribution system to promote conservation and efficiency.

Subsection (b) defines the service area as Perkins County, South Dakota.

Subsection (c) provides that grants may not exceed the Federal share (which is defined as 75% under section 9).

Subsection (d) prohibits any obligation of funds until requirements of the National Environmental Policy Act are met and a final engineering report is submitted to and lays before Congress for 90 days. The inclusion of a provision providing that the requirements of the National Environmental Policy Act must be met is not intended to suggest that such requirements would not apply in the absence of the provision nor to suggest that a full Environmental Impact Statement or even an Environmental Assessment would be necessary.

Section 5 provides standard language on mitigation for fish and wildlife losses.

Section 6(a) provides that the Western Area Power Administration (WAPA) will make power available for pumping from Pick-Sloan power designated for future irrigation and drainage pumping.

Subsection (b) makes the provision of power contingent on the system being operated on a not-for-profit basis, that the power be purchased from a qualified preference customer of WAPA, the rate schedule be the firm power rate at the time of delivery by WAPA, and that the preference customer pass through the firm rate, adding only other customary and usual charges.

Section 7 provides that the Act does not affect any other water project in North or South Dakota.

Section 8 provides a series of savings provisions on water rights.

Section 9 provides that the Federal share will be 75% of costs.

Section 10 provides that the local share will be 25% of costs.

Section 11 authorizes the Secretary of the Interior to provide construction oversight and limits expenditures by the Secretary to 3% of the construction budget.

Section 12 authorizes $15 million subject to appropriate engineering cost indices.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of the cost of this measure has been provided by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 11, 1999.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 243, the Perkins County Rural Water System Act of 1999.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Gary Brown (for federal costs), and Marjorie Miller (for the state and local impact.

Sincerely,

DAN L. CRIPPEN, *Director.*

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

S. 243—Perkins County Rural Water System Act of 1999

Summary: S. 243 would authorize the Secretary of the Interior, acting through the Bureau of Reclamation (the bureau), to provide financial assistance to the Perkins County Rural Water System, Inc., for planning and constructing the Perkins County Rural Water System. To carry out these activities, the bill would authorize the appropriation of $15 million in 1995 dollars plus additional amounts to cover increases in project costs during construction. The system would provide water to members of the Perkins County Rural Water System, Inc., in Perkins County, South Dakota.

CBO estimates that implementing S. 243 would require appropriations of $18 million over the 2000–2004 period. We estimate that outlays would total $16 million over that period and $2 million after 2004. Enacting the bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 243 contains no intergovernmental private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments might incur some costs as a result of the bill's enactment, but these costs would be voluntary.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 243 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal year, in millions of dollars—				
	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION					
Estimated authorization level	1	3	5	5	4
Estimated outlays	1	2	4	5	4

Basis of estimate: For the purpose of this estimate, CBO assumes that the bill will be enacted by the end of fiscal year 1999 and that the estimated amounts necessary to implement the bill will be appropriated for each year. Based on information provided by the bureau, CBO anticipates that environmental and engineering studies for the project would be completed by the end of fiscal year 2001, that construction would begin in 2002, and that the project would be completed by 2006. (The bureau has indicated that it would take between three and five years to complete the project.) The estimated amounts of annual funding needed to meet this schedule are based on information provided by the bureau.

The total estimated cost of $18 million over the 2000–2004 period reflects observed inflation from 1995 through 1998 and estimated inflation for 1999 through 2004. CBO estimates that inflation of between 2 percent and 3 percent a year would increase the project's total cost from $15 million in 1995 dollars to about $18 million, assuming appropriation of the necessary amounts over the 2000–2004 period. The estimated outlays are based on historical rates of spending for the types of activities authorized by the bill. The Perkins County Rural Water System, Inc. would bear the cost of operating and maintaining the project.

Pay-as-you-go considerations: None.

Estimated impact on state, local, and tribal governments: S. 243 contains no intergovernmental mandates as defined in UMRA. The bill would set the nonfederal share of project costs at 25 percent. Any state or local governments choosing to participate in the project would do so on a voluntary basis.

Estimated impact on the private sector: This bill contains no new private-sector mandate as defined in UMRA.

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. 243. 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. 243, as ordered reported.

EXECUTIVE COMMUNICATIONS

On March 11, 1999, 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. 243. These reports had not been received at the time the report on S. 243 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.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill S. 243, as ordered reported.

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