

TO AUTHORIZE THE SECRETARY OF THE INTERIOR TO CONTRACT WITH
THE CITY OF CHEYENNE, WYOMING, FOR THE STORAGE OF THE CITY'S
WATER IN THE KENDRICK PROJECT, WYOMING

SEPTEMBER 7, 2004.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. POMBO, from the Committee on Resources,
submitted the following

R E P O R T

[To accompany S. 943]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (S. 943) to authorize the Secretary of the Interior to contract with the city of Cheyenne, Wyoming, for the storage of the city's water in the Kendrick Project, Wyoming, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of S. 943 is to authorize the Secretary of the Interior to contract with the City of Cheyenne, Wyoming, for storage of the City's water in the Kendrick Project, Wyoming.

BACKGROUND AND NEED FOR LEGISLATION

The Kendrick Project, located in Carbon and Natrona Counties in Central Wyoming, provides water from the North Platte River for irrigation and hydropower generation purposes. Major features of the project include: Seminoe Dam, Reservoir, and Powerplant; Alcova Dam, Reservoir and Powerplant; and the Casper Canal and Distribution System. The Project was constructed and is operated by the Bureau of Reclamation of the Department of the Interior.

In 1983, the Bureau of Reclamation and the City of Cheyenne entered into an Interim Water Storage Contract which provided the City with 10,000 acre feet of storage space at Seminoe Reservoir. This contract allowed the City to store exchange water for use in the spring and summer months to compensate for water that the City released during winter months to fulfill minimum flow requirements for fish habitat. The contract required the City to pay

for such storage rights. The original contract was for a term of 15 years, with the option for a five year renewal. The contract and the renewal have expired. Currently, the City has storage rights on an annual basis because it is unclear whether Reclamation has the authority to enter into long-term, non-project municipal water storage contracts. As a result, the Bureau of Reclamation and the City are seeking legislative authority to enter into long-term contracts to provide storage space for non-project municipal and industrial water in Seminoe Reservoir.

S. 943 allows the Bureau of Reclamation and the City of Cheyenne to enter into a 40-year water storage contract, with the option of additional 40-year renewal. The bill specifies that proceeds received from the City will be credited against applicable operation and maintenance and capital costs associated with the Kendrick Project.

COMMITTEE ACTION

S. 943 was introduced by Senator Mike Enzi (R-WY) on April 29, 2003. The Senate passed the bill on May 19, 2004, by unanimous consent. In the House of Representatives, the bill was referred to the Committee on Resources. Within the Committee, the bill was referred to the Subcommittee on Water and Power. The Subcommittee held a hearing on S. 943 on July 8, 2004. On July 14, 2004, the Resources Committee met to mark up the bill. The Subcommittee was discharged from further consideration by unanimous consent. No amendments were offered and the bill was ordered favorably reported to the House of Representatives by unanimous consent.

SECTION-BY-SECTION

Section 1. Water Storage Contracts

This section defines various terms used in the bill and allows the Secretary of the Interior to enter into one or more contracts with the City of Cheyenne for storage of the City's water for municipal and industrial use in the Seminoe Dam and the Reservoir of the Kendrick Project. This section requires that any contract and subsequent renewals shall not exceed 40-year terms. The section further provides that revenues received under a contract shall be credited against the applicable operation and maintenance and construction costs of the Kendrick Project. This section also states that a contract shall not adversely affect any existing Kendrick Project contractor, or any existing contractor on the North Platte River System.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 of the Constitution of the United States grants Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

Cost of Legislation. Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, credit authority, or an increase or decrease in revenues or tax expenditures. The Congressional Budget Office estimates that enacting this bill would decrease offsetting receipts but that the loss of receipts would be less than \$500,000 for the 2005–2014 time period.

3. General Performance Goals and Objectives. This bill does not authorize funding and therefore, clause 3(c)(4) of rule XIII of the Rules of the House of Representatives does not apply.

4. Congressional Budget Office Cost Estimate. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

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S. 943 would authorize the Secretary of the Interior, through the Bureau of Reclamation, to renew a water storage contract with the city of Cheyenne, Wyoming, for the storage of the city's municipal and industrial water. The term of this and subsequent contracts would be limited to 40 years.

CBO estimates that implementing S. 943 would have no significant impact on the federal budget. Currently, the bureau provides water storage services under a temporary one-year water storage contract to the city of Cheyenne through the Kendrick Project on the North Platte River. The temporary contract has the same terms as the expired contract. Under the temporary contract, the city makes an annual payment of \$70,000 to the federal government. Under S. 943, the city would negotiate a contract with the federal government for water storage services. Under the contract, the Bureau expects that the city would make an annual payment of about \$53,000 to the federal government. CBO estimates that enacting S. 943 would decrease offsetting receipts (a form of direct spending), but the loss of receipts would be less than \$500,000 over the 2005–2014 period.

S. 943 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

On March 8, 2004, CBO transmitted a cost estimate for S. 943 as ordered reported by the Senate Committee on Energy and Nat-

ural Resources on February 11, 2004. The two versions of the legislation are identical, as are the cost estimates.

The CBO staff contact for this estimate is Julie Middleton. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.

