



# Western States Water

## Addressing Water Needs and Strategies for a Sustainable Future

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### **CONGRESS/WATER RESOURCES**

#### **Reclamation**

On July 24, the House Natural Resources Subcommittee on Water Oceans and Wildlife held an oversight hearing titled, "The Status of the Reclamation Fund and the Bureau of Reclamation's (BOR) Future Infrastructure Funding Needs." Witnesses included: BOR Deputy Commissioner over Policy, Administration, and Budget, Grayford Payne; WSWC Executive Director, Tony Willardson; Executive Director of the San Luis & Delta-Mendota Water Authority, Frederico Barajas; and Executive Director of the Idaho Water Users Association, and Vice Chairman of the Natural Water Resources Association's Federal Affairs Committee, Paul Arrington.

Payne described Reclamation's FY2020 budget requests for appropriations, for power and water user facility maintenance, dam safety modifications, and construction projects relating fish passage, river restoration, and Indian water rights settlements. He also explained non-appropriated sources of funding to meet Reclamation maintenance, rehabilitation, and repair (MR&R) needs. "Of the identified \$3B in MR&R needs for FY 2019-2023, \$2B or 68% of the projected five-year need is projected to be funded from sources other than Reclamation annual appropriations."

Willardson provided some background history on the Reclamation Fund, originally designed to fund the development of authorized irrigation projects on the arid and semiarid lands of the 17 western states. He described several of the Reclamation water projects and attendant benefits to the surrounding communities across the West. The unobligated balance of the Reclamation Fund is over \$16B as of FY2018, and continues to grow as appropriated funds are substantially less than receipts from natural resource royalties, water and power sales, project repayments, and land sales, leases and rentals. The balance is estimated to reach \$20B in FY2020. "The Council has long called for the Congress to investigate the advantages of converting the Reclamation Fund from a special Treasury account to a true revolving trust fund with annual receipts appropriated for authorized purposes in the year following their deposit."

Willardson said: "Fully appropriating Reclamation Fund receipts for current and future authorized purposes would expedite completion of delayed projects, fund deferred maintenance, repair and replacement expenditures, expedite dam safety work and otherwise support expenditures for essential water and power development, environmental restoration and water conservation projects and programs. One advantage of a revolving fund, with respect to project operation and maintenance, would be the ability to more efficiently plan and schedule construction activity without the uncertainty surrounding annual appropriations acts." He pointed to existing projects with repair and replacement backlogs; environmental considerations, from salmon recovery to river restoration and invasive species; and new construction, including Indian water rights settlements and authorized rural water supply projects. "Increased appropriations for WaterSMART programs would advance basin studies, cooperative watershed management, drought response assistance, water reclamation and reuse projects, and water conservation."

Barajas described the Central Valley Project facilities operated and maintained by the Water Authority, and the farmland, wetland, and residential water users served by the facilities. He noted that water supply shortages and water quality concerns create supply-demand imbalances. Regional infrastructure projects would mitigate the impacts from state and federal regulatory and environmental restrictions, and long-term hydrologic changes resulting from climate change. He said the federal government has an enduring role in water supply infrastructure development in the arid West, "providing available federal funding and federal cost-share opportunities" in partnership with state and local water managers, and consistent with state water laws.

Barajas said federal investments have not kept pace with the needs of the West, and regional economies dependent on Reclamation project water have suffered. He referenced prior support for extending the Reclamation Water Settlement Fund, which allows direct access to the Reclamation Fund for tribal water rights settlements. "However, that support was conditioned with a request that Congress apply a similar approach in addressing and modernizing aging water structures utilizing existing balances in the Reclamation Fund."

Arrington described how the Reclamation projects transformed the West, and the challenges of meeting future demands with aging dams, pipelines, canals, and other infrastructure. He said any infrastructure package must include water infrastructure funding, and dedicated funding from the Reclamation Fund is a key tool to addressing backlogs and investing in new infrastructure. He said Congress should authorize Reclamation to access the Reclamation Fund without further appropriation, similar to the Reclamation Water Settlement Fund, to help cover the huge costs of rehabilitating Reclamation-owned projects. He suggested the funding could include several components, including a revolving loan program, a matching grant program, and funds dedicated to the development of and access to new technologies to improve management, operations, and water system efficiencies.

### **Water Storage/Conservation**

On July 18, the Senate Energy and Natural Resources Subcommittee on Water and Power held a hearing to examine opportunities to increase water storage and conservation through rehabilitation and development of water supply infrastructure. The hearing addressed the provisions of three bills: the Aquifer Recharge Flexibility Act (S. 1570); the Drought Resiliency and Water Supply Infrastructure Act (S. 1932); and the Water Supply Infrastructure Rehabilitation and Utilization Act (S. 2044). Witnesses included: BOR Commissioner Brenda Burman; Attorney Wade Noble on behalf of several Arizona organizations; Melinda Kassen, Senior Counsel, Theodore Roosevelt Conservation Partnership (TRCP); and Wesley Hipke, Recharge Program Manager, Idaho Department of Water Resources.

Burman noted that Reclamation has been working with the State of Idaho and water users on “efforts to stabilize the Eastern Snake Plains Aquifer (ESPA) and reduce conflict over groundwater withdrawals,” including managed aquifer recharge. She said Reclamation provided technical assistance on S. 1570, which “will help reduce delays in using appropriate federal lands to recharge local aquifers.” Hipke testified that many optimal ESPA recharge sites require the use of federally-owned property, or existing canal systems that are owned by Reclamation or cross federal property. S. 1570 would provide greater flexibility for recharge efforts, reducing the time and expense of obtaining federal authorizations, permits, or contract modifications, while still complying with all applicable federal laws.

Burman said the Department of the Interior “supports the goals of S. 1932 that build upon the progress of the Water Infrastructure Improvements for the Nation (WIIN) Act (Pub. L. 114-322.)” She provided some suggestions and clarifications to various provisions of the bill, with updated information about Reclamation’s

existing authorities and programs that would be affected by S. 1932. Kassen provided additional suggested changes, to ensure broad support for projects from states, “consistent with the spirit of federalism.” She emphasized eligibility for projects that include “natural infrastructure,” using processes that allow landscapes to store water for later release, including headwaters mountain meadows, wetlands, natural lakes, floodplains, and aquifers. She provided feedback on the proposed federal loan program for Reclamation projects, emphasizing projects that reduce water supply-demand imbalances, and suggested changes to the provisions on water reuse, desalination, and environmental restoration.

Burman also declared support for S. 2044, applauding “this bipartisan effort to assist the Bureau in making major updates and replacements. We have stated on the record that it is our priority to make investments in modernizing our infrastructure, and this bill would advance our mutual goal.” The bill would create an aging infrastructure account, increase the appropriations ceiling for the dam safety program, and establish a flood control rule curves pilot project. Burman noted that clarifying the Role of the Corps of Engineers “in approving changes to flood control rule curves may help ensure effective implementation.” She added that “Reclamation recently completed five reservoir operations pilot studies using improved forecasting and hydrologic information to assess opportunities to better meet water demands. Reclamation also is implementing the October 2018 “Presidential Memorandum on Promoting the Reliable Supply and Delivery of Water in the West”, specifically Section 3: Improve Forecasts of Water Availability, and is engaged with Federal and non-Federal partners on several forecasting applications in California.”

Noble described the challenges of multiple irrigation districts struggling to fund maintenance and capital improvements for a shared Reclamation transferred work, in particular the 81-year-old Imperial Dam. The Imperial Irrigation District is the party contractually obligated to perform all routine and extraordinary maintenance at Imperial Dam, but several other irrigation districts in Arizona and California share responsibility for funding that work. “Where the Funding Parties are not the Responsible Party, they have less funding and/or finance options. There is a difficulty in obtaining grant monies or seeking traditional financing. Bonding is especially difficult for non-Responsible Parties and for smaller districts. This leaves most districts with only two options – increasing their assessments and/or burning through reserves...” which leaves districts less stable and less able to keep up with their regular operation and maintenance. S. 2044 creates a fund that makes it possible for responsible and funding parties “to request funds for extraordinary maintenance and repay those funds on an extended schedule.”