

SAN GABRIEL BASIN WATER QUALITY INITIATIVE

MARCH 23, 2000.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. SHUSTER, from the Committee on Transportation and
Infrastructure, submitted the following

REPORT

[To accompany H.R. 910]

[Including cost estimates of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 910) to authorize the Secretary of the Army, acting through the Chief of Engineers and in coordination with other Federal agency heads, to participate in the funding and implementation of a balanced, long-term solution to the problems of groundwater contamination, water supply, and reliability affecting the San Gabriel groundwater basin in California, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “San Gabriel Basin Water Quality Initiative”.

SEC. 2. SAN GABRIEL BASIN RESTORATION.

(a) **SAN GABRIEL BASIN RESTORATION.**—

(1) **ESTABLISHMENT OF FUND.**—There shall be established within the Treasury of the United States an interest bearing account to be known as the San Gabriel Basin Restoration Fund (in this section referred to as the “Restoration Fund”).

(2) **ADMINISTRATION OF FUND.**—The Restoration Fund shall be administered by the Secretary of the Army, acting through the Chief of Engineers (in this Act referred to as the “Secretary”). The Secretary shall administer the Fund in cooperation with the San Gabriel Basin Water Quality Authority, or its successor agency.

(3) **PURPOSES OF FUND.**—

(A) IN GENERAL.—Subject to subparagraph (B), the amounts in the Restoration Fund, including interest accrued, shall be utilized by the Secretary—

(i) to design and construct water quality projects to be administered by the San Gabriel Basin Water Quality Authority and the Central Basin Water Quality Project to be administered by the Central Basin Municipal Water District; and

(ii) to operate and maintain any project constructed under this section for such period as the Secretary determines, but not to exceed 10 years, following the initial date of operation of the project.

(B) COST-SHARING LIMITATION.—The Secretary may not obligate any funds appropriated to the Restoration Fund in a fiscal year until the Secretary has deposited in the Fund an amount provided by non-Federal interests sufficient to ensure that at least 35 percent of any funds obligated by the Secretary are from funds provided to the Secretary by the non-Federal interests. The San Gabriel Basin Water Quality Authority shall be responsible for providing the non-Federal amount required by the preceding sentence. The State of California, local government agencies, and private entities may provide all or any portion of such amount.

(b) COMPLIANCE WITH APPLICABLE LAW.—In carrying out the activities described in this section, the Secretary shall comply with any applicable Federal and State laws.

(c) RELATIONSHIP TO OTHER ACTIVITIES.—Nothing in this section shall be construed to affect other Federal or State authorities that are being used or may be used to facilitate the cleanup and protection of the San Gabriel and Central groundwater basins. In carrying out the activities described in this section, the Secretary shall integrate such activities with ongoing Federal and State projects and activities. None of the funds made available for such activities pursuant to this section shall be counted against any Federal authorization ceiling established for any previously authorized Federal projects or activities.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to the Restoration Fund established under subsection (a) \$85,000,000. Such funds shall remain available until expended.

(2) SET-ASIDE.—Of the amounts appropriated under paragraph (1), no more than \$10,000,000 shall be available to carry out the Central Basin Water Quality Project.

SEC. 3. PERCHLORATE.

(a) IN GENERAL.—The Secretary, in cooperation with Federal, State, and local government agencies, is authorized to participate in studies and other investigative activities and in the planning and design of projects determined by the Secretary to offer a long-term solution to the problem of groundwater contamination caused by perchlorates.

(b) INVESTIGATIONS AND PROJECTS.—

(1) BOSQUE AND LEON RIVERS.—The Secretary, in coordination with other Federal agencies and the Brazos River Authority, shall participate under subsection (a) in investigations and projects in the Bosque and Leon River watersheds in Texas to assess the impact of the perchlorate associated with the former Naval “Weapons Industrial Reserve Plant” at McGregor, Texas.

(2) CADDO LAKE.—The Secretary, in coordination with other Federal agencies and the Northeast Texas Municipal Water District, shall participate under subsection (a) in investigations and projects relating to perchlorate contamination in Caddo Lake, Texas.

(3) EASTERN SANTA CLARA BASIN.—The Secretary, in coordination with other Federal, State, and local government agencies, shall participate under subsection (a) in investigations and projects related to sites that are sources of perchlorates and that are located in the city of Santa Clarita, California.

(c) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of carrying out the activities authorized in this section, there is authorized to be appropriated to the Secretary \$25,000,000, of which not to exceed \$8,000,000 shall be available to carry out subsection (b)(1), not to exceed \$3,000,000 shall be available to carry out subsection (b)(2), and not to exceed \$7,000,000 shall be available to carry out subsection (b)(3).

SUMMARY AND PURPOSE

H.R. 910, the “San Gabriel Basin Water Quality Initiative,” authorizes the Secretary of the Army, acting through the Corps of En-

gineers, to participate in the funding and implementation of a balanced, long-term solution to the problems of groundwater contamination and water supply affecting the San Gabriel groundwater basin in California. The bill also authorizes the Corps to participate in the Central Basin Water Quality Project, and authorizes \$25,000,000 for research into solutions to groundwater contamination caused by perchlorate.

BACKGROUND AND NEED FOR LEGISLATION

The San Gabriel Basin covers more than 160 square miles in an area east of Los Angeles. The aquifer underlying the basin is the principal source of drinking water for approximately 1.4 million people. In 1997, perchlorate, a chemical used in the production of solid rocket fuel, was first discovered in the groundwater. In high doses, perchlorate has been linked to thyroid disorders. This discovery has complicated the development of cleanup plans and has increased concerns over maintaining an adequate water supply for the San Gabriel Valley.

In 1984, the Environmental Protection Agency (EPA) added four areas of San Gabriel Valley to the list of national priority sites under Superfund. In 1992, the California State Legislature created the San Gabriel Water Quality Authority (WQA) to work with water producers, as well as affected parties and agencies, to coordinate groundwater cleanup projects in the San Gabriel Valley. To date, the WQA funded over \$28 million worth of projects. Most of the projects funded through the WQA constitute "early actions," taken in advance of EPA remedial activities.

Recently, local officials discovered that groundwater contamination has spread from the San Gabriel Basin into the Central Basin, a 277 square mile aquifer that provides drinking water for over half of Los Angeles County. The rate of spreading varies. In some places it appears to be moving as fast as several miles per year. This discovery has caused the local officials to try to accelerate the development and financing of treatment projects far ahead of EPA's timeline.

The bill addresses the contamination of the San Gabriel and Central Basin aquifers by establishing a "San Gabriel Basin Restoration Fund" in the U.S. Treasury. This Fund would be administered by the Secretary of the Army, and would be authorized to receive contributions from the State of California, local government agencies, and private entities. The bill authorizes the appropriation of \$85,000,000 to the Restoration Fund for use by the Corps of Engineers to design and construct water quality projects administered by the San Gabriel Basin Water Quality Authority, as well as operate and maintain such projects for a period not to exceed 10 years. In addition, up to \$10,000,000 of that amount may be used by the Corps for the Central Basin Water Quality Project.

Because the Committee recognizes that the problem of perchlorate contamination is not limited to the San Gabriel region, the bill authorizes \$25,000,000 for investigations across the country into solutions to groundwater contamination caused by perchlorate.

DISCUSSION OF COMMITTEE BILL AND SECTION-BY-SECTION ANALYSIS

Section 1. Short title

Provides that the Act may be cited as the “San Gabriel Basin Water Quality Initiative.”

Section 2. San Gabriel Basin Restoration

(a) San Gabriel Basin Restoration.—Establishes within the U.S. Treasury an interest bearing account known as the “San Gabriel Basin Restoration Fund.” The Fund is to be administered by the Secretary of the Army, acting through the Chief of Engineers, in cooperation with the San Gabriel Basin Water Quality Authority. The Secretary is authorized to use the Fund to design and construct water quality projects in the San Gabriel Basin to be administered by the San Gabriel Basin Water Quality Authority and the Central Basin Water Quality Project to be administered by the Central Basin Municipal Water District. The Secretary also is authorized to operate and maintain such projects for up to 10 years.

Local sponsors are required to fund at least 35 percent of the cost of these projects. Accordingly, the Secretary may not obligate any funds appropriated to the Restoration Fund until the Secretary deposits funds provided by non-federal interests sufficient to ensure that at least 35 percent of any funds obligated by the Secretary are from funds provided by non-federal interests. The San Gabriel Basin Water Quality Authority is the non-federal sponsor responsible for transmitting the non-federal share to the Secretary for deposit in the Fund. However, the San Gabriel Basin Water Quality Authority may collect contributions to such non-federal monies from the State of California, other local government entities, and private entities. Based on the emergency nature of the spread of contamination from the San Gabriel Basin into the Central Basin, if the Secretary determines that prior expenditures by non-federal entities are integral to and compatible with projects authorized under this Act, the Secretary may credit the Water Quality Authority with the value of such prior expenditures, as determined by the Secretary.

(b) Compliance with Applicable Law.—Requires the Secretary to comply with applicable Federal and state laws.

(c) Relationship to Other Activities.—Provides that nothing in this section shall be construed to affect other Federal or state authorities that are being used or may be used to facilitate the clean-up and protection of the San Gabriel and Central groundwater basins.

The Committee is aware that four areas of the San Gabriel Valley have been listed on the Superfund National Priorities List and these areas have been divided into eight “operable units” or individual projects: Alhambra, Richmond, Suburban, Baldwin Park, El Monte, South El Monte, Puente Valley, and Whittier Narrows. The bill requires the Secretary to integrate its activities with ongoing federal and state projects and activities. The Committee expects the Secretary to coordinate with EPA so that the Secretary’s activities complement remedial activities selected by EPA.

The San Gabriel Basin Water Quality Authority has already received some federal funds from the Bureau of Reclamation under

the 1992 “Reclamation Wastewater and Groundwater Study and Facilities Act” for projects to improve water quality. The total federal share of the cost of projects under that Act may not exceed \$20,000,000. H.R. 910 specifies that the amounts authorized to be appropriated to the Restoration Fund shall not be counted against that authorization ceiling.

Nothing in H.R. 910 limits the authority of the United States under any other federal statute to pursue remedial actions and, where appropriate, to recover its costs from responsible parties, including the costs of work performed under this Act.

(d) Authorization of Appropriations.—Authorizes \$85,000,000 to be appropriated to the Restoration Fund. Of such amounts, up to \$10,000,000 shall be available to carry out the Central Basin Water Quality Project.

Section 3. Perchlorate

(a) In General.—Authorizes the Secretary, in cooperation with Federal, state, and local government agencies, to participate in studies and other investigative activities and in the planning and design of projects that may offer a long-term solution to the problem of perchlorate groundwater contamination.

(b) Investigations and Projects.—Requires the Secretary to participate in perchlorate contamination investigations and projects in the Bosque and Leon River Watersheds in Texas; in Caddo Lake, Texas; and in Santa Clarita, California.

(c) Authorization of Appropriations.—Authorizes \$25,000,000 for perchlorate contamination investigations and projects, of which not more than \$8,000,000 shall be available for the Bosque and Leon River Watersheds, not more than \$3,000,000 shall be available for Caddo Lake, and not more than \$7,000,000 shall be available for Santa Clarita.

HEARINGS

On September 29, 1999, the Subcommittee on Water Resources and Environment held a hearing on H.R. 910. Testimony was given by Representative David Dreier (CA), Representative Grace Napolitano (CA), Representative Matthew Martinez (CA), and Brigadier General Hans A. Van Winkle, U.S. Army Corps of Engineers, as well as representatives of local water supply agencies and the local community.

COMMITTEE CONSIDERATION

On March 8, 2000, the Water Resources and Environment Subcommittee marked up H.R. 910. The Subcommittee adopted an amendment in the nature of a substitute. This amendment (a) addressed the spread of contamination into the Central Basin by authorizing an additional \$10 million for the Corps of Engineers to participate in the Central Basin Water Quality Project, and (b) addressed the need to investigate perchlorate contamination from former Department of Defense (DOD) facilities or DOD contractor facilities in Texas and California by directing the Corps of Engineers to focus part of the \$25,000,000 authorization for perchlorate investigations on these areas. The Subcommittee reported H.R.

910, as amended, favorably to the Full Committee by unanimous voice vote.

On March 16, 2000, the Full Committee met in open session and reported the bill, as amended by the Subcommittee, by unanimous voice vote.

ROLLCALL VOTES

Clause 3(b) of rule XIII of the House of Representatives requires each committee report to include the total number of votes cast for and against on each roll call vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against. There were no recorded votes taken in connection with ordering H.R. 910 reported.

COMMITTEE OVERSIGHT FINDINGS

With respect to the requirements of clause 3(c)(1) of Rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

COST OF LEGISLATION

Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

COMPLIANCE WITH HOUSE RULE XIII

1. With respect to the requirement of clause 3(c)(2) of Rule XIII of the Rules of the House of Representatives, and 308(a) of the Congressional Budget Act of 1974, the Committee references the report of the Congressional Budget Office included below.

2. With respect to the requirement of clause 3(c)(4) of Rule XIII of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform and Oversight on the subject of H.R. 910.

3. With respect to the requirement of clause 3(c)(3) of Rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 910 from the Director of the Congressional Budget Office.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 910—San Gabriel Basin Water Quality Initiative

Summary: CBO estimates that implementing H.R. 910 would increase discretionary spending by \$122 million over the 2001–2005 period, assuming appropriation of the necessary amounts. The bill could affect direct spending because it would authorize the Corps of Engineers (Corps) to collect and spend funds from nonfederal sources; thus, pay-as-you-go procedures would apply. CBO estimates, however, that the net impact on direct spending would not be significant in any year.

H.R. 910 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Contributions by state or local governments to the restoration fund that would be established by this legislation would be voluntary.

H.R. 910 would authorize the Corps, in coordination with the San Gabriel Basin Water Quality, to implement projects to improve water quality in the San Gabriel groundwater basin. The bill would establish and authorize the appropriation of \$85 million to the San Gabriel Basin Restoration Fund, and would authorize the appropriation of any interest earned on balances in that fund. The Corps could use amounts appropriated to that fund as well as interest earnings for water quality projects. The bill also would authorize the Corps to conduct research on groundwater contamination caused by the perchlorates (a primary ingredient in solid rocket fuel) and would authorize the appropriate of \$25 million for that purpose.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 910 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—				
	2001	2002	2003	2004	2005
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated authorization level	43	18	20	20	21
Estimated outlays	23	31	25	21	22

Basis of estimate: H.R. 910 would authorize the appropriation of \$85 million to an interest-bearing fund and authorize the Corps, in coordination with the San Gabriel Basin Water Quality Authority, to use amounts in that fund, including interest earnings, to implement water quality projects. CBO estimates that allowing the Corps to spend interest earned on the San Gabriel Basin Restoration Fund would increase the total authorization of appropriations under H.R. 910 by \$12 million over the 2001–2005 period. For the purpose of this estimate, CBO assumes that the Congress would appropriate both the principle amount of \$85 million and any interest earned as needed for each year.

The bill would require that nonfederal entities provide at least 35 percent of the funding for water quality projects before the Corps could spend appropriations. Based on information from the authority, CBO estimates that the projects would cost \$18 million in each of fiscal years 2001 and 2002, \$20 million in each of fiscal years 2003 and 2004, and \$21 million in fiscal year 2005, assuming appropriation of the necessary amounts for each of those years.

The bill also would authorize the appropriation of \$25 million to the Corps for research on groundwater contamination caused by perchlorates. Based on information from the Corps, CBO estimates that the activities authorized under this provision would cost \$25 million over the 2001–2005 period, assuming appropriation of the authorized amount in 2001.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Enacting this legisla-

tion would increase offsetting receipts and direct spending because the Corps could collect and spend contributions from nonfederal sources for the costs of water quality projects. Thus, pay-as-you-go procedures would apply, but CBO estimates that any net impact would not be significant over the next 10 years.

Intergovernmental and private-sector impact: H.R. 910 contains no intergovernmental or private-sector mandates as defined in UMRA. Contributions by state or local governments to the restoration fund would be voluntary.

Estimate prepared by: Federal Costs: Megan Carroll. Impact on State, Local, and Tribal Governments: Marjorie Miller. Impact on the Private Sector: Jean Wooster.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause (3)(d)(1) of rule XIII of the Rules of the House of Representatives, committee reports on a bill or joint resolution of a public character shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the measure. The Committee on Transportation and Infrastructure finds that Congress has the authority to enact this measure pursuant to its powers granted under article I, section 8 of the Constitution.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act. (Public Law 104–4.)

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act. (Public Law 104–1.)