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LAKEHAVEN WATER RECLAMATION PROJECT

SEPTEMBER 29, 2000.—Ordered to be printed

Filed under authority of the order of the Senate of September 28 (legislative day, September 22), 2000.

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

REPORT

[To accompany S. 2301]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 2301) to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Lakehaven water reclamation project for the reclamation and reuse of water, having considered the same, reports favorably thereon with an amendment and an amendment to the title and recommends that the bill, as amended, do pass.

The amendments are as follows:

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

SECTION 1. LAKEHAVEN WATER RECLAMATION PROJECT.

(a) **AUTHORIZATION.**—The Secretary of the Interior, in cooperation with the Lakehaven Utility District, Washington, may participate in the design, planning, and construction of, and land acquisition for, the Lakehaven water reclamation project (“Project”), Washington, to reclaim and reuse wastewater (including degraded groundwater) within and outside the service area of the Lakehaven Utility District.

(b) **COST SHARE.**—The Federal share of the cost of the Project shall not exceed 25 percent of the total cost.

(c) **LIMITATION.**—Funds provided by the Secretary shall not be used for the operation or maintenance of the Project.

(d) **FUNDING.**—Funds appropriated pursuant to section 1615 of the Reclamation Wastewater and Groundwater Study and Facilities Act may be used for the Project (106 Stat. 4663–4669, 43 U.S.C. 290h *et seq.*), as amended.

SEC. 2. RECLAMATION WASTEWATER AND GROUNDWATER STUDY AND FACILITIES ACT.

Design, planning and construction of the Project shall be in accordance with, and subject to the limitations contained in, the Reclamation Wastewater and Groundwater Study and Facilities Act (106 Stat. 4663–4669, 43 U.S.C. 390h *et seq.*), as amended.

2. Amend the title so as to read: “To authorize the Secretary of the Interior, pursuant to the provisions of the Reclamation Wastewater and Groundwater Study and Facilities Act to participate in the design, planning, and construction of the Lakehaven water reclamation project for the reclamation and reuse of water.”

PURPOSE OF THE MEASURE

The purpose of S. 2301 is to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Lakehaven water reclamation project for the reclamation and reuse of water.

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 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 did authorize a program to research and demonstrate methods for control of salinity at the Salton Sea in California with 50% Federal cost-sharing. Partially in response to the number of requests for participation in the program and the costs, P.L. 104–266 modified the program to limit Federal contributions to 25% of the total cost, with 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 several very large projects, mainly in California, authorized under title XVI. The 1996 Act also included authorization for 18 additional water reclamation and reuse projects in California, Utah, New Mexico, Nevada, and Texas. Title XVI was again amended in October 1998 by P.L. 105–321 to include authorization for the Willow Lake Natural Treatment System Project in Oregon.

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 benefits of the program, there can be significant indirect benefits for other consumptive uses, such as agriculture, and non-consumptive uses, such as augmenting in-stream flows or reducing depletions.

Lakehaven Utility District (District) is one of Washington State’s largest water and sewer utilities providing 10 million gallons of water a day to over 100,000 residents. It is located in south King County and encompasses the city of Federal Way and portions of Des Moines, Kent, Auburn, Pacific, Algona, Milton, unincorporated King County and unincorporated Pierce County.

The District uses groundwater sources that are recharged primarily from local precipitation. While development has reduced the ability for these aquifers to naturally recharge, the demand for water from these sources has increased to exceed their safe production limits and has resulted in reduction of water levels in all local aquifers with a corresponding reduction in well water production. The District has two secondary wastewater treatment plants currently discharging over 6 million gallons of water a day to Puget Sound. The ability to utilize reclaimed water to manage groundwater levels has been successful in other areas; however, it has not been applied in Washington State.

LEGISLATIVE HISTORY

S. 2301 was introduced by Senator Gorton on March 28, 2000. The Subcommittee on Water and Power held a hearing on June 21, 2000. At the business meeting on September 20, 2000 the Committee on Energy and Natural Resources ordered S. 2301, as amended, favorably reported.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Committee on Energy and Natural Resources, in open business session on September 20, 2000 by a unanimous voice vote with a quorum present, recommends that the Senate pass S. 2301, if amended as described herein.

COMMITTEE AMENDMENT

During the consideration of S. 2301, the Committee adopted a technical amendment in the nature of a substitute that rewrites the legislation to make it a freestanding bill, rather than amending title 16 of Public Law 105-575, which established the wastewater reclamation project. The title of the bill was also amended to reflect that change.

COST AND BUDGETARY CONSIDERATIONS

The Congressional Budget Office estimate of the costs of this measure has been requested but was not received at the time the report was filed. When the report is available, the Chairman will request it to be printed in the Congressional Record for the advice of the Senate.

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. 2301. 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. 2301, as ordered reported.

EXECUTIVE COMMUNICATIONS

On June 16, 2000, 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. 2301. These reports had not been received at the time the report on S. 2301 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 at the Subcommittee hearing follows:

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

Thank you for the opportunity to appear today to provide the Administration's view on S. 2301, concerning the Lakehaven water reclamation and reuse project in the state of Washington. My name is Eluid Martinez. I am Commissioner of the U.S. Bureau of Reclamation (Reclamation).

S. 2301 would amend the Reclamation Wastewater and Groundwater Study and Facilities Act (43 U.S.C. 390 *et seq.*) [Title XVI of P.L. 102-575 (1992)] to authorize the Secretary of the Interior (Secretary) to participate in the design, planning, and construction of, and land acquisition for, the Lakehaven water reclamation project in the state of Washington to reclaim and reuse wastewater (including degraded groundwater) within and outside the service area of the Lakehaven Utility District. S. 2301 limits 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. While Reclamation strongly encourages local water recycling efforts, we must oppose authorizing this additional Federal recycling project for the reasons described below.

Mr. Chairman, in 1992, Congress adopted, and the President, signed the Reclamation Projects Authorization and Adjustment Act (Public Law 102-575). 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 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 distrib-

uted within five states, including California, Nevada, Utah, Texas, and New Mexico. Title XVI of Public Law 102-575 was further amended in 1998 by Public Law 105-321, to authorize Reclamation to participate in the design, planning, and construction of the Willow Lake Natural Treatment System Project in Salem, Oregon. To date, Congress has provided funding to construct 14 of these projects, and to conduct feasibility studies on an additional three projects.

Municipal, industrial, domestic, and agricultural wastewater reuse efforts can assist states and local communities in solving contemporary water supply problems. However, the Department opposes authorizing additional projects in the absence of feasibility studies to determine whether these particular projects warrant Federal funding. In general, Reclamation places priority on funding new projects that (1) are economically justified and environmentally acceptable in a watershed context; (2) are not eligible for funding under another Federal program; and (3) directly address Administration priorities for the Reclamation program, such as reducing the demand on existing Federal water supply facilities.

The Department also opposes enactment of this legislation because authorizing new projects is likely to place an additional burden on Reclamation's already tight budget. To date, Reclamation has been unable to provide the full authorized funding amounts for 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 24 currently authorized projects.

Finally, the Department opposes enactment of the provision in S. 2301 authorizing land acquisition prior to completion of a feasibility study. Federal contributions for land acquisition should await the outcome of the study.

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

This 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, the Committee notes that no changes in existing law are made by the bill S. 2301, as ordered reported.