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2d Session }

SENATE

{ REPORT
{ 108-288

AMENDING THE RECLAMATION WASTEWATER AND GROUNDWATER
STUDY AND FACILITIES ACT TO AUTHORIZE THE SECRETARY OF THE
INTERIOR TO PARTICIPATE IN THE WILLIAMSON COUNTY, TEXAS,
WATER RECYCLING AND REUSE PROJECT, AND FOR OTHER PURPOSES

JUNE 25, 2004.—Ordered to be printed

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

R E P O R T

[To accompany H.R. 1732]

The Committee on Energy and Natural Resources, to which was referred the Act (H.R. 1732) to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the Williamson County Texas, Water Recycling and Reuse Project, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that Act do pass.

PURPOSE

The purpose of H.R. 1732 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 Williamson County, Texas, Water Recycling and Reuse Project.

BACKGROUND AND NEED

The Lower Colorado River Authority (“LCRA”) generates wholesale electric power for more than 1 million people in a service area covering all or parts of 58 counties. Additionally, the LCRA manages a 600-mile portion of the Texas Colorado River and owns or operates 35 water/wastewater systems serving approximately 122,000 residents in 11 counties.

Studies under a State-mandated planning process show that current water supplies for Williamson County will only be sufficient through 2017. The studies identified water recycling as an alternative water supply for Williamson County. According to pro-

ponents of the legislation, the use of the project's recycled water will be a reliable source of irrigation for parks, school athletic fields, and golf courses.

The proposed project has regional support and is expected to be completed in two stages. LCRA estimates this the project will save approximately 5,000 acre-feet on an annual basis. The project is estimated to cost \$29 million, and the LCRA has testified that it will commit to \$21.5 million in local funding. The Federal share of project costs may not exceed 25 percent.

LEGISLATIVE HISTORY

H.R. 1732, the Williamson County Water Recycling Act of 2003, was introduced by Representative Carter (R-TX) on April 10, 2003, and referred to the House Committee on Resources. The Resources Committee discharged the bill on November 17, 2003, and the House passed it under suspension on the same day. On November 18, 2003, H.R. 1732 was received in the Senate and referred to the Committee on Energy and Natural Resources. A hearing on H.R. 1732 was conducted by the Water and Power Subcommittee on May 19, 2004. The Energy and Natural Resources Committee, on June 16, 2004, by a unanimous vote of a quorum present, favorably reported H.R. 1732.

COMMITTEE RECOMMENDATION

The Senate Committee on Energy and Natural Resources, in an open business session on June 16, 2004, by a unanimous voice vote of a quorum present, recommends that the Senate pass H.R. 1732.

SECTION-BY-SECTION ANALYSIS

Section 1(a) contains the short title.

Subsection 1(b) amends the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior, in cooperation with the LCRA, to participate in the design, planning, and construction of permanent facilities to reclaim and reuse water in Williamson County, Texas. The Federal share of project costs is limited to 25 percent of the total and the Secretary is prohibited from providing funds for project operation and maintenance.

Section 2 amends the table of sections in the Reclamation Projects Authorization and Adjustment Act of 1992 to reflect the Williamson County, Texas, Water Recycling and Reuse Project.

COST AND BUDGETARY CONSIDERATIONS

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 18, 2004.

Hon. PETE V. DOMENICI,
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 H.R. 1732, the Williamson County Water Recycling Act of 2003.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Julie Middleton.

Sincerely,

ELIZABETH ROBINSON
(For Douglas Holtz-Eakin, Director).

Enclosure.

H.R. 1732—Williamson County Water Recycling Act of 2003

Summary: H.R. 1732 would authorize federal participation in the design, planning, and construction of a project to reclaim and reuse wastewater that would be carried out by the Lower Colorado River Authority in Williamson County, Texas. The act would limit the federal share of those costs to 25 percent and would prohibit the use of the federal funds for operating or maintaining the project.

Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 1732 would cost about \$8 million over the 2005–2009 period. Enacting H.R. 1732 would not affect direct spending or revenues. H.R. 1732 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The participating communities in Texas might incur some costs to match the federal funds authorized by this act, but these costs would be voluntary.

Estimated Cost to the Federal Government: The estimated budgetary impact of H.R. 1732 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—				
	2005	2006	2007	2008	2009
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	2	2	2	2	0
Estimated Outlays	2	2	2	2	0

Basis of estimate: For this estimate, CBO assumes that H.R. 1732 will be enacted near the end of 2004 and that the necessary funds will be appropriated for each year. H.R. 1732 would limit the federal share of costs to 25 percent of the total cost to plan, design, and construct a wastewater reclamation project in Williamson County, Texas. Based on information from the Bureau of Reclamation, CBO estimates that the total cost of the project would be approximately \$30 million and the maximum federal share would be \$8 million. CBO expects that it will take approximately four years to complete all phases of this project. For this estimate, CBO assumes that funds will be appropriated in equal installments over that period to complete the project.

Intergovernmental and private-sector impact: H.R. 1732 contains no intergovernmental or private-sector mandates as defined in UMRA. The participating communities in Texas might incur some costs to match the federal funds authorized by this act, but these costs would be voluntary.

Previous CBO estimate: On November 6, 2003, CBO transmitted a cost estimate for H.R. 1732 as ordered reported by the House Committee on Resources on October 29, 2003. Except for a change in the assumed enactment date, the cost estimates are identical.

Estimate prepared by: Federal Costs: Julie Middleton; Impact on State, Local, and Tribal Governments: Majorie Miller; and Impact on the Private Sector: Crystal Taylor.

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

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 H.R. 1732. The Act is not a regulatory measure in the sense of imposing government-established standards or significant 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 H.R. 1732.

EXECUTIVE COMMUNICATIONS

On June 16, 2004, the Committee on Energy and Natural Resources requested legislative reports from the Department of the Interior setting forth executive views on H.R. 1732. This report had not been received at the time the report on H.R. 1732 was filed. When the report becomes available, the Chairman will request that it be printed in the Congressional Record for the advice of the Senate. The testimony provided by the Bureau of Reclamation at the Subcommittee hearing follows:

STATEMENT OF JOHN W. KEYS III, COMMISSIONER, BUREAU OF RECLAMATION

My name is John Keys III. I am the Commissioner of the Bureau of Reclamation. I am pleased to present the views of the Department of the Interior on H.R. 1732, concerning the Williamson County water reclamation project in the State of Texas.

H.R. 1732 would amend the Reclamation Wastewater and Groundwater Study and Facilities Act (Title XVI of Public Law 102-575), authorizing the Secretary of the Interior in cooperation with the Lower Colorado River Authority, to participate in the design, planning, and construction of a water reclamation project in Williamson County, Texas. H.R. 1732 limits the Federal share of project costs to 25 percent of the total project costs and restricts the Secretary from providing funding for the operation and maintenance. Additionally, existing law, section

1631 of Public Law 102-575, limits the Federal share of project costs to not exceed \$20 million (October 1996 prices).

The Lower Colorado River Authority has developed conceptual plans for the project, and Reclamation has completed a cursory review of this proposal. Reclamation has not yet conducted an appraisal level study. This appraisal study would be needed to determine if the preliminary work initiated by the Lower Colorado River Authority meets Reclamation's requirements and to evaluate the potential for a feasibility study per criteria developed in accordance with Title XVI of P.L. 102-575. In that respect, until we have more information, we cannot comment on the merits of the project itself and therefore cannot support H.R. 1732.

The Department also believes enactment of this legislation authorizing new construction projects is likely to place an additional burden on Reclamation's already constrained budget. With the tremendous backlog of Title XVI projects that already exist (currently estimated at about \$2.6 billion), we do not support the addition of new wastewater projects at this time.

For the record, Mr. Chairman, in 1992, the Reclamation Projects Authorization and Adjustment Act (Public Law 102-575) was enacted. Title XVI of this Act, the Reclamation Wastewater and Groundwater Study and Facilities Act, authorized construction of five water reclamation and reuse projects. 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. In addition, the Secretary was authorized to conduct research and to construct, operate, and maintain demonstration projects. Reclamation has been administering a grant program to fund these Title XVI activities since FY 1994.

In 1996, Public Law 104-266, the Reclamation Recycling and Water Conservation Act, was enacted. 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. To date, Congress has provided funding to plan or construct 19 of 25 specifically authorized projects. Under the general authority of Title XVI, funding has been provided to identify and investigate, at the appraisal or feasibility level, eight potential water recycling projects, and to conduct three research and demonstration projects.

In summary, the Department strongly encourages local water recycling efforts and is engaged in numerous water reuse and recycling projects around the West. However, for the reasons provided above, the Department cannot, at this time, support authorizing this new request for Federally-assisted construction.

Thank you for the opportunity to comment on H.R. 1732. This concludes my statement and 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, changes in existing law made by H.R. 1732, as ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

RECLAMATION PROJECTS AUTHORIZATION AND ADJUSTMENT ACT OF 1992

Public Law 102-575; 106 Stat. 4664

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SEC. 2. DEFINITION AND TABLE OF CONTENTS.

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TITLE XVI—RECLAMATION WASTEWATER AND GROUNDWATER STUDIES

Sec. 1601. Short title

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1636. *Williamson County, Texas, Water Recycling and Reuse Project.*

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TITLE XVI—RECLAMATION WASTEWATER AND GROUNDWATER STUDIES

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SEC. 1636. WILLIAMSON COUNTY, TEXAS, WATER RECYCLING AND REUSE PROJECT.

(a) *AUTHORIZATION.*—The Secretary, in cooperation with the Lower Colorado River Authority, Texas, is authorized to participate in the design, planning, and construction of permanent facilities to reclaim and reuse water in Williamson County, Texas.

(b) *COST SHARE.*—The Federal share of the costs of the project described in subsection (a) shall not exceed 25 percent of the total cost.

(c) *LIMITATION.*—The Secretary shall not provide funds for the operation and maintenance of the project described in subsection (a).

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