



United States Department of the Interior

BUREAU OF RECLAMATION
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IN REPLY REFER TO:

**Statement of David Palumbo, Deputy Commissioner of Operations
U.S. Bureau of Reclamation
Before the
Subcommittee on Energy and Water Development
Committee on Appropriations
U.S. House of Representatives
on the President's Fiscal Year 2022 Budget
May 24, 2021**

Thank you, Chairwoman Kaptur, Ranking Member Simpson, and members of the Subcommittee for the opportunity to discuss with you the President's Fiscal Year (FY) 2022 Budget for the Bureau of Reclamation. I am David Palumbo, Deputy Commissioner of Operations for the Bureau of Reclamation.

The Bureau of Reclamation is the largest supplier and manager of water in the Nation and the second largest producer of hydroelectric power. Reclamation manages water for agriculture, municipal and industrial use, and the environment, as well as provides flood control and recreation for millions of people. Reclamation's activities, including recreation benefits, support economic activity valued at \$66.63 billion, and support approximately 472,000 jobs. Reclamation delivers 10 trillion gallons of water to more than 31 million people each year, and provides water for irrigation of 10 million acres, which yields approximately 25 percent of the Nation's fruit and nut crops, and 60 percent of the vegetable harvest.

Reclamation's fundamental mission and programs – modernizing and maintaining infrastructure, conserving natural resources, using science and research to inform decision-making, serving underserved populations, and staying as nimble as possible in response to the real-time resiliency and long-term adaptation requirements of drought and a changing climate – position it as an exemplar for the Biden-Harris Administration's core tenets. The Bureau of Reclamation's fiscal year (FY) 2022 budget provides the foundation to meet our mission; to manage, develop, and protect water resources, consistent with applicable State and Federal law, and in a cost-effective and environmentally responsible manner in the interest of the American public. Reclamation remains committed to working with a wide range of stakeholders, including water and power customers, Tribes, State and local officials, and non-governmental organizations, to meet its mission.

Racial and Economic Equity: Activities to Support Underserved communities, Tribal Programs & Tribal Water Rights Settlements: Reclamation tackles the challenges of racial equity and underserved communities through investments in tribal water rights settlements, in the Native American Affairs technical assistance program, rural water projects, and investments in specific projects for underserved communities. Reclamation is confident in its ability to meet the legislated deadlines of tribal settlements.

Reclamation's budget supports Indian water rights settlements, continuing the high prioritization of these projects to meet Tribal trust and treaty obligations. The FY 2022 budget request includes funding for Indian water rights settlements consistent with settlement dates required by statute. In addition to requesting discretionary funding, these settlements will draw on available mandatory funding to support current settlement implementation activities.

The FY 2022 budget includes funding for the Native American Affairs program to improve the capacity to work with and support Tribes in the resolution of their water rights claims, develop sustainable water sharing agreements and management activities, and other water related technical activities. This funding will also strengthen Department-wide capabilities to achieve an integrated and systematic approach to Indian water rights negotiations to consider the full range of economic, legal, and technical attributes of proposed settlements.

By means of its Rural Water program, Reclamation is also establishing and rebuilding clean water infrastructure for underserved populations, furthering the President's goals of racial equity as well as his commitment to Tribal Nations by ensuring that clean, safe drinking water is a right in those communities.

Conservation, Climate Resilience and Climate Science: Reclamation's projects were primarily designed and constructed in the first half of the 20th century with snowpack serving as the largest reservoir. The decrease in snowpack and earlier spring runoff have made climate resilience an important focus area for Reclamation. Our investments address the unprecedented drought and our ability to combat climate change by continuing to fund the WaterSMART program, to improve water conservation and energy efficiency as well as proactive efforts to provide sound climate science, research and development, and clean energy. We will continue to seek to optimize non-Federal contributions to accomplish more with our Federal dollars.

Reclamation is continuing efforts to manage drought. One extreme example is the response in the Colorado River Basin, which is experiencing the driest 21-year period in over 100 years of historical records; drought response activities include a Drought Contingency Plan (DCP) to conserve water in Lake Mead to reduce the likelihood of the Lake's declining to critical elevations.

Climate change adaptation is a focus of Reclamation's science efforts. Funding will focus on innovation strategies that are necessary to address present and future hydrologic changes. The Desalination Program supports desalination science, development, and demonstrations for the purpose of converting unusable waters to useable water supplies through desalination. The Science and Technology Program addresses the full range of technical issues confronting Reclamation water and hydropower managers.

The WaterSMART Program directly contributes to Administration priorities for conservation, climate science, adaptation, and resiliency. WaterSMART also serves as the primary contributor to the Reclamation/Interior's Water Conservation Priority Goal. Projects funded through WaterSMART since 2010, including WaterSMART Grants and Title XVI projects, are expected to save more than one million acre-feet of water each year, once completed.

Modernizing and Maintaining Infrastructure: Reclamation's dams and reservoirs, water conveyance systems, and power generating facilities serve as the water and power infrastructure backbone of the American West. Reclamation's water and power projects throughout the western

United States provide water supplies for agricultural, municipal, and industrial purposes. Reclamation's projects also provide energy produced by hydropower facilities and maintain ecosystems that support fish and wildlife, hunting, fishing, and other recreation, as well as rural economies. Changing demographics and competing demands are increasingly impacting already strained systems, and the proper management of this infrastructure is critical to Reclamation's ability to achieve progress on its mission objectives. This budget addresses priorities by allocating funds based on objective and performance-based criteria to most effectively implement Reclamation's programs and its management responsibilities for its water and power infrastructure in the West.

Funding is provided for dam safety and Extraordinary Maintenance of Reclamation facilities. Reclamation manages 491 dams throughout the 17 Western States. Reclamation's Dam Safety Program has identified 364 high and significant hazard dams. Through constant monitoring and assessment, Reclamation strives to achieve the best use of its limited resources to ensure dam safety and to maintain our ability to store and divert water and to generate hydropower. Reclamation's XM request is part of its overall Asset Management Strategy that relies on condition assessments, condition/performance metrics, technological research and deployment, and strategic collaboration to better inform and improve the management of its assets and deal with its infrastructure maintenance challenges. Additional XM items are directly funded by revenues, customers, or other Federal agencies (e.g., Bonneville Power Administration).

Renewable energy: Reclamation owns 78 hydroelectric power plants and operates 53 of those plants that account for 15 percent of the hydroelectric capacity and generation in the United States. Each year on average, Reclamation generates about 40 million megawatt hours of electricity and collects over \$1.0 billion in gross power revenues for the Federal Government. It would take more than 130 billion cubic feet of natural gas or about 7.1 million tons of coal to produce an equal amount of energy with fossil fuels; as a result, Reclamation's hydropower program displaces over 18 million tons of carbon dioxide that may have otherwise been emitted by traditional fossil fuel power plants.

Reclamation's FY 2022 budget request includes funds to support Department energy initiatives, through increasing Reclamation Project hydropower capabilities. These activities include: Policy development, oversight, and support services facilitating non-Federal hydropower development on Reclamation projects through Lease of Power Privilege and Federal Energy Regulatory Commission licensing. These actions allow Reclamation to derive additional value and revenue from existing public infrastructure and reduce project operating costs (e.g., water and power delivery costs). Revenues derived from incremental hydropower production are invested in the underlying public infrastructure to ensure continued, reliable operations and benefits. These investments, in combination with prior year's efforts will ensure that Reclamation can continue to provide reliable water and power to the American West.

Water management, improving and modernizing infrastructure, using sound science to support critical decision-making, finding opportunities to expand capacity, reducing conflict, and meeting environmental responsibilities were all addressed in the formulation of the FY 2022 budget. Reclamation continues to look at ways to plan more efficiently for future challenges faced in water resources management and to improve the way it does business.

Central Utah Protection Completion Act (CUPCA)

The Department's 2022 CUPCA Program budget reflects the Administration's commitment to strengthening our climate resiliency and supporting conservation partnerships. As authorized, the completion of the Central Utah Project (CUP) Utah Lake System pipelines will deliver 60,000 acre-feet of municipal and industrial water to Salt Lake and Utah Counties. The completed project will provide increased water security, helping communities adapt to and increasing their resiliency under changing climate conditions.

The request provides funding to continue construction of the system; to support the recovery of endangered species; and implements fish, wildlife, and recreation mitigation and water conservation projects. One of the goals of the project is the recovery of the June sucker fish, a critical element of listed species recovery efforts.