

### **Questions from Chairman Huffman:**

1. Can you confirm that the purpose behind the reduced CVPIA Restoration Fund budget request for 2020 is limited only to “resetting” the 3-year rolling average, to create more consistent collections and expenditures going forward?

Response: Yes. The purpose of resetting the 3-year rolling average was to eliminate the volatility in annual collections and create consistent collections going forward.

a. Can you confirm that if Congress approves the request for this limited purpose, Reclamation does not intend to propose collections of less than the full amount of CVPIA Restoration Fund payments for any other purpose in the future?

Response: Reclamation will continue to collect annually the mandated amount directed by the Act.

b. My understanding is that Reclamation is not proposing a change to the standard appropriations language for this item, which would continue to direct Reclamation to collect the full amount of mitigation fees going forward. Is that understanding correct?

Response: Yes. Reclamation is not proposing any appropriations language changes.

2. In the 2009 SECURE Water Act, Congress specified that agricultural grant recipients under Reclamation’s WaterSMART Water Efficiency Grants program must agree that any water conserved through their grant project will not be used to increase irrigated acreage or increase consumptive water use. This provision ensures that WaterSMART provides benefits not only for grant recipients, but for the water system as a whole. However, it appears that nearly half of the projects awarded in the most recent round of WaterSMART Efficiency Grants would allow the grantees to use some or all of their conserved water for prohibited purposes. Congress intended WaterSMART grants to create benefits for river systems as well as water users. Can you please explain whether agricultural water users are being allowed to increase consumptive water use, contrary to Congress’ intent and statutory requirements?

Response: Reclamation is aware of the concern that some projects selected for FY 2018 WaterSMART Grants funding appeared to include activities that could increase the recipient’s consumptive use of water. However, we believe that this was a misunderstanding based on a review of the project descriptions made available on Reclamation’s website. Beginning in 2019, Reclamation will include more detailed descriptions of each project selected to help better explain the benefits expected to result, with an emphasis on the uses of water conserved through completed projects.

### **Questions from Representative Cox:**

1. Congress appropriated \$335 million in funding for WIIN Act storage projects. The FY18 omnibus obligated \$77 million in projects, and in February of this year, Reclamation sent a list of projects to Congress requesting the obligation of roughly \$74 million in additional WIIN Act funds. If Congress approves these requests, there is still about \$184 million in WIIN Act storage funding that Congress has already appropriated, and that Reclamation needs to obligate. What is Reclamation's process for determining these obligation requests? When can Congress expect the Bureau to make the request to obligate more storage funding under Section 4007 of the WIIN Act?

Response: Each year Reclamation completes an internal solicitation and review process, starting with recommendations from each region, for determining WIIN Act storage fund obligation requests for the upcoming fiscal year. In February, the storage requests were combined with the Title XVI WIIN Act requests and the desalination construction WIIN Act requests into one letter and forwarded to Congress, which has the decision to name projects and associated appropriations. We expect to transmit our next set of recommendations for FY 2020 WIIN Act funding later this calendar year.

2. The final Biological Opinions for the CVP and California State Water Project are due out next month. What additional resources did your department make available to ensure the Biological Assessment was adequately completed in time? Is there a process in place to work with Fish and Wildlife Service and NOAA to resolve conflicting requirements that may come out as they are drafting their biological opinions?

Response: Consultation for these biological opinions was initiated in August 2016, with the National Environmental Protection Act (NEPA) process formally commenced in December 2017. As such, the Department of the Interior realigned and dedicated staff to the consultation as well as prioritized workload across area, regional, and national offices. Appointment of a lead Federal official provides coordination across Federal agencies. Reclamation has also appropriated additional funding to secure a consultant contract in order to bring additional staffing resources. The federal Regional Directors coordinate closely on biological opinion development and have established a project team to reconcile issues. There is a process in place to resolve conflicting requirements and arrive at consistent environmental documents.

3. In March, I was told that San Luis Reservoir filled, so even though environmental standards would have allowed for greater pumping, there was nowhere to store this water, so the Central Valley Project had to reduce allowable pumping from the Delta. I understand this also happened when San Luis Reservoir filled in 2017, meaning the State and Federal water projects missed out on pumping hundreds of thousands of acre feet of water from the Delta. Now, San

Luis Reservoir is experiencing seismic problems, and Reclamation's budget documents identify seismic repair of B.F. Sisk Dam, which forms San Luis Reservoir, as a priority. Is the Bureau of Reclamation also planning to expand the capacity of the reservoir so that the Bureau can pump and store more water in wet years like this one?

Response: With respect to the San Luis Reservoir, Reclamation currently has a Contributed Funds Agreement (CFA) in place with the San Luis & Delta-Mendota Water Authority. The CFA allows Reclamation to begin the process to explore increasing the project benefits for San Luis Reservoir Implementation of the Safety of Dams Modification for seismic issues. If the current explorations meet the statutory requirements from P.L. 114-113 Section 203, and demonstrate feasibility, a project could be pursued.

### **Questions from Representative Haaland:**

1. I have heard that you are opposed to beginning significant construction of the water project associated with the Aamodt tribal water settlement in my home state of New Mexico unless Congress first provides a significant authorization increase and a substantial completion deadline extension to 2028.

a. Can you confirm whether that is the case? Are you willing to move forward with project construction at the full amount currently authorized by Congress? Or will you only do so if Congress authorizes additional funding and extends the project completion deadline?

Response: In 2008 and 2009 Reclamation testified on the legislation that was eventually enacted effectuating this settlement. At that time, Reclamation expressed strong concern about the reliability of the cost estimates for this Pojoaque Basin Regional Water System (PBRWS). The estimated costs for PBRWS have substantially increased over the already questioned \$139.8 million cap authorized by the 2010 Settlement, and the \$73.2 million of non-Federal funding, both indexed to 2018 (\$213M combined). The current estimate to construct in accordance with the Engineering Report cited in the 2010 Settlement is \$421 million or \$208 above the authorized amounts. The Settlement establishes a number of conditions and deadlines, including: (1) a requirement for "substantial completion" as defined in the Settlement (623(e); and (2) completion of the PBRWS by June 30, 2024 (§623(e) (2)). The requirement of "substantial completion" has onerous implication and would allow for voiding the Settlement if not achieved by June 30, 2024. The Department does not believe it can achieve "substantial completion" with the currently authorized Federal funding for the PBWRS.

The contribution of Federal and non-federal funds to the Settlement was negotiated as well as Pueblo's waivers of all water rights and water related claims. Because of the serious risk that settlement will be voided even if the Department expends all authorized funding, we have been

very reluctant to commence construction without an increase in authorized funding. Because the parties have asked for a good faith showing of willingness to commence some construction while Congress is considering an increased authorization, DOI entered into negotiations on the cost shares to be borne by the United States and the parties and how construction could be sequenced. I am happy to report that the United States and the parties have reached agreement on these issues and on September 17<sup>th</sup>, 2019, we jointly executed a 611(g) agreement under the terms of which Reclamation has agreed to expend \$13M in Federal funds (\$10M for construction and \$3M for design and other non-contract costs) while congressional action to amend the Settlement is pending. The agreement also provides that State and County will provide a proportionate share of construction costs in the amount of \$5.6M, that would yield a total of \$18.6M towards limited construction.

On July 16<sup>th</sup>, 2019, Reclamation transmitted to the Congress a letter and markup related to the Aamodt settlement, and specifically H.R. 3292, which would provide the aforementioned increase in authorized funding. In that letter, we wrote: “The Administration would support H.R. 3292 and its Senate companion, S.1875, if the amendments reflected in the attached markup of the bill were adopted. These proposed amendments incorporate key provisions that the Settlement Parties agreed to in the 611(g) Agreement negotiations”. The enactment of such legislation would provide certainty that there will be no future request for additional Federal funding.

b. It is my understanding that with indexing you have over \$100 million available under the cost ceiling. Why don't you start using that immediately?

Response: Current available (unobligated) funding is about \$60M. Expending the currently available funding of \$60M will bring the total Federal expenditure on the Settlement to about \$133M, all of which would be lost if the Settlement is voided because construction cannot be “substantially completed” by the 2024 deadline.

c. Will you commit to ensuring that Reclamation fulfills Congress' direction regarding implementation of the Aamodt settlement?

Response: The Department is committed to the successful implementation of the Aamodt Settlement.

**Questions from Representative Sablan:**

1. Last May, Congresswoman Plaskett from the Virgin Islands, then Congresswoman Bordallo from Guam, and I met with Assistant Secretary for Water and Science Dr. Timothy Petty as a follow up to his testifying before the committee at the FY19 Budget hearing. Our concerns were that many of our water agencies and local officials were unaware of their eligibility for the Bureau's programs or needed additional technical assistance to submit a competitive grant application. What steps has the Bureau taken the last year to upgrade its outreach to the territories, and, perhaps, most importantly, have they been successful?

Response: Reclamation continues to look for ways reach out to applicants across all eligible U.S. States and Territories. Reclamation has seen recent interest in funding from entities located in eligible U.S. Territories. In FY 2018, for example, the Coral Bay Community Council (St. John, U.S. Virgin Islands) was selected under the WaterSMART Cooperative Watershed Management Program to receive \$99,155 to update their watershed management plan focused on source pollution into Coral Bay and hurricane recovery. Also, in FY 2018, an entity located in Guam applied under the WaterSMART Grants: Water and Energy Efficiency Grants funding opportunity for installation of distribution main meters, but was unsuccessful. Reclamation held a debriefing with the applicant in March 2019 to discuss its application relative to the evaluation criteria, opportunities for improvement, and the schedule for future funding opportunity announcements.

Reclamation has had success in conducting outreach on WaterSMART through webinars in the past. In FY 2019, one WaterSMART webinar announced via email and on our website drew over 200 participants. Once all FY 2019 WaterSMART funding opportunities have closed, Reclamation plans to review lists of applicants to identify geographic areas, including specific States and U.S. Territories, that might benefit from additional outreach. Prior to FY 2020 announcements, Reclamation plans to provide a webinar targeted to entities that were under-represented in the FY 2019 selection process, including applicants located in the eligible U.S. Territories. Reclamation will coordinate with your office, and the offices of Representative Amata (American Samoa), Representative San Nicolas (Guam), and Representative Plasket (U.S. Virgin Islands) to ensure interested applicants are aware of the opportunity.

2. The Administration has proposed severe budget cuts to water infrastructure funding despite a project backlog in the billions of dollars. The EPA National Assessment of Water System Needs estimated that \$198.4 million in further investment is needed to provide water to households and to protect the environment in the Northern Marianas. That figure has only increased after the damage caused by Typhoon Mangkhut and Super Typhoon Yuta this past fall. A 2013 \$300,000 WaterSMART grant helped our Commonwealth Utilities Corporation install advanced water meters at people's homes. How will the bureau meet the water infrastructure needs of our areas with such severe budget reductions?

Response: The FY 2020 budget for WaterSMART highlights the emphasis Reclamation places on projects that increase water supply reliability, but also reflects a need to balance a number of other important budget priorities. At the FY 2020 request level, Reclamation expects to be able to fund a total of 40-65 new water management improvement projects through WaterSMART Water and Energy Efficiency Grants, Small-Scale Water Efficiency Projects, and Drought Resiliency Projects funding opportunities. We believe these programs will continue to provide a meaningful opportunity to seek funding for projects similar to the one selected for funding in 2013 in the Northern Marianas, and we encourage entities there and in the other eligible U.S. Territories to apply.

**Questions from Ranking Member Bishop:**

1. Why did Reclamation change course in late 2018 by reducing acres to be served from 70,000 to 60,000 acres after years of implementation of Reclamation's Modified Preferred Alternative and following three years of contract negotiations?

Response: Reclamation continues to implement the Modified Partial Replacement Alternative as described in our Record of Decision, and has not changed course. We have worked closely with the East Columbia Basin Irrigation District (East District) to identify ways to increase irrigated acres by up to 90,000 acres. This includes 20,000 acres which will be available upon identification of a supply from water conservation.

In October 2018, East District requested their amended contract contain a guaranteed water entitlement of 3 acre-feet per acre. It was not possible to accommodate this request for 70,000 acres because it would exceed the currently identified water supply for the modified partial replacement alternative. This could lead to conflicts between the existing acres of the Columbia Basin Project, and acres in Odessa should a water shortage arise. Reclamation proposed a flexible approach that provides 3 acre-feet per acre for 60,000 acres upon execution of the contract with an additional 30,000 acres to be made available when the water supply is identified. East District was unwilling to approve this draft contract.

Reclamation has shared a revised draft contract with East District which authorizes 70,000 acres without a guaranteed water entitlement and the flexibility for an additional 20,000 acres from conservation actions. This draft also eliminates administrative approvals needed before East District can execute contracts with individual landowners. Based on our conversations with the East District, we believe this draft contract has the potential to resolve concerns expressed.

2. Will you commit to working with the East Columbia Basin Irrigation District and my office to find solutions to address the outstanding Master Water Service Contract, including the acreage reduction?

Response: Yes, Reclamation will continue to work with the East Columbia Basin Irrigation District with the same spirit of shared enterprise and flexibility as we have throughout this process. Should additional concerns beyond the issue described above present themselves, Reclamation can provide briefings to you, your staff, or other representatives as requested.

### **Questions from Representative Hice:**

1. As part of the FY20 request, Reclamation has asked for \$114.1 million in appropriations for “extraordinary maintenance” (XM) activities. This is a little more than double the FY19 request.

My understanding is that this account includes funding major, non-recurring repairs, replacements, or renovations at various Reclamation-owned projects. But for our edification, can you explain what some of these repair projects are and why there is such a drastic increase in expected costs this year?

Response: As a result of aging infrastructure at many of our facilities, Reclamation’s request for XM activities has increased from previous fiscal years and varies year-over-year. Many of Reclamation's facilities possess aging infrastructure that, if not addressed, will hinder our ability to effectively maintain operations. Examples of the projects and sub components that are being addressed for repair are the following:

Grand Coulee Dam - Repairing Leavenworth Surface Water Intake System, well field reconfigurations, and replacing MP Drumgate Valve and Actuator;

Milk River - Storage Unit Concrete Repair, Diversion Dam Replacement and Fish Screens, and spillway chute repair;

Minidoka Project - Domestic Water System maintenance and repair, lead maintenance removal, and Palisades Hollow Jet Valve Refurbishment;

Heart Butte Unit - Stilling Basin Concrete Repair, Seepage Monitoring and Repair, and Gatehouse Repair.

Each of the sub-components identified above for the listed projects are necessary repairs to meet requirements for the safety of our employees, comply with environmental regulations, and to maintain continual operation of vital functions at our Reclamation facilities. Instead of adding to our deferred maintenance log, Reclamation has taken steps to prioritize funding in addressing aging infrastructure in order to continue our mission of serving water to the West.

2. I also understand that some of the funds in this account address invasive species of mussels that are destructive to water and power infrastructure. Can you explain this problem to me, how it is addressed, and what the associated costs are for removing this type of infestations?

Response: Invasive species represent a growing threat to Reclamation infrastructure. Quagga and Zebra mussels have continued to spread throughout the West, infesting Reclamation dams, power plants, and the facilities of other water providers. The Columbia Basin is the last major uninfected watershed in the United States, where regional estimates suggest a full-blown infestation would cost its citizens \$500 million annually in lost economic production, higher electric rates, and risk more endangered species complications. As a result, Reclamation's FY 2020 budget includes over \$8 million to combat and prevent the spread of invasive species throughout Reclamation facilities and structures, including \$5.1 million directed towards the prevention, early detection and monitoring, containment and control of Quagga and Zebra mussels at existing facilities.

3. If Reclamation is awarded this level of funding for this purpose, do you anticipate making a similar request as well next year? How often does this invasive species problem need to be addressed?

Response: Invasive species are an ongoing problem and their containment and control requires constant vigilance. I anticipate that future budgets will reflect that priority.