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BUREAU OF RECLAMATION
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**Statement of Brenda Burman, Commissioner
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 2021 Budget
March 10, 2020**

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) 2021 Budget for the Bureau of Reclamation. I am Brenda Burman, Commissioner of the Bureau of Reclamation.

The Bureau of Reclamation's FY 2021 budget provides the foundation for Reclamation's efforts to manage, develop, and protect water and related resources, consistent with applicable State and Federal law, in a cost-effective and environmentally responsible manner in the interest of the American public. It also supports the Administration's and Department of the Interior's (Department) goals of ensuring the efficient generation of energy to meet our economic needs; reliable water supplies for irrigation, people, and the environment; enhancing outdoor recreation opportunities; and fulfilling our commitments to Tribal nations. To be successful in achieving these results, Reclamation will continue to work with a wide range of stakeholders, including water and power customers, Tribes, State and local officials, conservation organizations, and others.

In fulfilling these Department priorities, the FY 2021 budget promotes economic prosperity in the West and ensures the Nation's natural resources are used for multiple, beneficial purposes. Reclamation will continue to deliver water and generate hydropower in FY 2021, consistent with applicable State and Federal law. Reclamation plans to focus on enhancing water supply reliability by paying attention to local and regional water conflicts, making investments in and modernizing infrastructure, and providing support for water development benefiting Native Americans and rural America. Addressing the safety of Reclamation's dams and ensuring protection of public safety remain a top priority. The 2021 budget addresses these priorities by allocating funds to implement Reclamation's management responsibilities in the most cost-effective manner.

Reclamation is requesting a gross total of \$1,127,875,000 in Federal discretionary appropriations, which is anticipated to be supplemented by over \$900 million in other Federal and non-Federal funds for FY 2021. Of the total, \$979,000,000 is for the Water and Related Resources account, which is Reclamation's largest account, \$60,000,000 is for the Policy and Administration account, and \$33,000,000 is for the California Bay Delta account. A total of \$55,875,000 is budgeted for the Central Valley Project Restoration Fund, to be offset by expected discretionary receipts in the same amount.

As the largest supplier and manager of water in the Nation and the second largest producer of hydroelectric power, Reclamation's projects and programs are foundational to driving and maintaining economic growth in hundreds of watershed basins throughout the United States. Reclamation manages water for agricultural, municipal and industrial use, and provides flood control and recreation for millions of people. Reclamation's activities, including recreation benefits, support economic activity valued at \$63.9 billion, and support approximately 456,000 jobs.¹ Reclamation 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 owns 78 power plants and operates 53 hydroelectric power plants that account for 15 percent of the hydroelectric capacity and generation in the United States. Reclamation generates about 40 billion kilowatt hours of electricity annually— enough to meet the annual needs of over 3.6 million households. Reclamation collects over \$1.0 billion in gross power revenues for the Federal government each year.

Many Reclamation projects provide multi-purpose water resource benefits, including recreation. Reclamation's recreation areas represent some of the most popular areas for water-based outdoor recreation activities in the Nation. Reclamation projects include approximately 7.8 million acres of land and water and 289 recreation and wildlife areas (42 of which are directly managed by Reclamation), 550 campgrounds and over 1,300 miles of hiking trails available to the public resulting in approximately 45 million day-visits annually.

Reclamation's dams and reservoirs, water conveyance systems, and power generating facilities are integral components of the Nation's infrastructure. Effectively managing these structures is among the many significant challenges that Reclamation faces over the next five years and beyond. Proper management of infrastructure is critical to Reclamation's ability to achieve progress on its mission objectives.

A good example is the Colorado River Basin which is experiencing the driest 20-year period in over 100 years of historical records. The Secretary of the Department of the Interior, as the Lower Basin's water master, plays a critical role in dealing with this historic drought through the Bureau of Reclamation. Reclamation, the Lower Division States, and other key partners developed and recently implemented Drought Contingency Plans (DCPs) to conserve water in Lake Mead to address and reduce the likelihood of Lake Mead declining to critical elevations. The DCP was executed in May 2019 and is in place through 2026. As part of the DCP, the United States has agreed to take affirmative actions to implement Lower Basin programs designed to create or conserve 100,000 acre-feet or more annually of Colorado River System water to contribute to conservation of water supplies in Lake Mead and other Colorado River reservoirs in the Lower Basin.

Reclamation's FY 2021 budget request reflects a commitment to the success of the DCP and managing drought. Other drought response activities include continuing voluntary water conservation under System Conservation agreements, Reclamation commitments under the Arizona Water Settlements Act, and other drought mitigation activities. Implementation of Minute 323 also helps to mitigate the impacts of the drought by Mexico incurring water

¹According to the Department of the Interior's Economic Report FY 2018.

reductions during a shortage condition in the Lower Basin and additional reductions consistent with Mexico's water scarcity contingency plan.

Reclamation continues to prioritize hydropower as a core mission component that not only adds value to the western grid and economy but helps allow for the delivery of reliable and cost-effective water supplies across the West. Reclamation's hydropower has a long history of success, and that success is a result of partnership and investment with our power customers. Reclamation continues to evaluate economical capital upgrades at our hydropower facilities; we partner with the Western Area Power Administration, Bonneville Power Administration and power customers to fund them. An example of Reclamation-wide actions is the deployment of hydropower optimization software, which has shown efficiency gains of almost one percent without any capital upgrades. Reclamation's efforts to improve efficiencies and capacity resulted in an increase of generating capacity by more than 45 MW between 2016 and 2018.

Aging infrastructure and competing demands are increasingly impacting our systems. 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 2021 budget. Reclamation continues to use appropriated resources to address challenges faced in water resources management and to improve the way it does business.

Account Level Details

The FY 2021 budget allocates funds to projects and programs based on objective, performance-based criteria to most effectively implement Reclamation's programs and its management responsibilities for its water and power infrastructure in the West.

Following is additional information on the FY 2021 Budget for Reclamation by appropriations account.

Water and Related Resources - \$979,000,000

The FY 2021 Water and Related Resources budget provides funding for five major program activities – Water and Energy Management and Development (\$238.5 million), Land Management and Development (\$41.4 million), Fish and Wildlife Management and Development (\$153.9 million), Facility Operations (\$309.2 million), and Facility Maintenance and Rehabilitation (\$236.0 million). The funding proposed in Reclamation's FY 2021 budget supports key programs important to the Department and in line with Administration objectives.

By far, the greatest portion of Reclamation's Water and Related Resources budget is dedicated to delivering water and generating power. This is accomplished within over 300 Congressionally authorized projects, each of which has its own authorization. Certain programs are also of note, including Dam Safety and others, due to their unique nature and interest to Congress and other stakeholders.

Both the FY 2021 and 2020 budgets support an increased emphasis on modernizing Reclamation's infrastructure. The FY 2021 budget includes \$107.1 million for the dam safety evaluation and modification program. The program continues risk management activities, including modification of dams, at Reclamation's high and significant hazard dams, where loss of life or significant

economic damage would likely occur in the event of a failure. The FY 2021 budget supports increased funding requirements for the dam safety program. The FY 2021 budget also includes over \$103 million for Extraordinary Maintenance (XM) activities. Both the FY 2021 and 2020 budgets support an increased emphasis on modernizing Reclamation's infrastructure.

The FY 2021 budget continues the implementation for Indian water rights settlements supports the Blackfeet Indian Water Rights Settlement enacted in December 2016, two enacted in December 2010 (Crow and the Aamodt Litigation) and the 2009 authorized Navajo-Gallup Water Supply. Additionally, the FY 2021 budget supports the Nez Perce (Columbia/Snake River Salmon Recovery); Colorado Ute (Animas-La Plata), and San Carlos settlements. The Klamath, Trinity River Restoration Program within the Central Valley Project, Yakima River Basin Water Enhancement Project, and three of the five authorized rural water projects (discussed below) also benefit Tribal nations.

More generally, Reclamation's budget supports its role in implementing Indian water rights settlements; this includes \$6.0 million to improve coordination and application of expertise to analyze Indian water settlements more effectively and expediently to strengthen Department-wide capabilities in the Secretary's Indian Water Rights Office and achieve an integrated and systematic approach to Indian water rights negotiations.

Reclamation's FY 2021 budget for research and development (R&D) programs includes both Science and Technology, and Desalination and Water Purification Research—both of which focus on Reclamation's mission of water and power deliveries.

The Science and Technology program supports engineering innovation that promotes economic growth, supports maintaining and improving our water and power infrastructure, and spurs continued generation of energy. Program outcomes also enable reliable water and power delivery to our customers, improve safety, limit the impacts of invasive species, and ensure that Reclamation can meet its environmental compliance responsibilities. These activities support the Administration's priorities for the FY 2021 budget, including job creation by supporting technology transfer activities that may lead to new business opportunities for private industry. The program also supports Administration priorities related to maintaining and improving our water and power infrastructure by partnering with the U.S. Army Corps of Engineers to foster research projects to develop technologies that extend the operating life and reduce maintenance costs of Reclamation's structures. The Administration's priority related to energy from all sources is supported by hydropower research that ensures Reclamation is maximizing reliability, reducing maintenance costs, and exploring new energy development opportunities. Research on safety is ensuring our workers can perform their jobs safely and securely.

The Desalination and Water Purification Research program priorities include development of improved and innovative methods of desalination and reducing costs to develop new water supplies. The research and testing funded out of this program supports the Administration's priorities for the FY 2021 budget, including job creation, by supporting innovative new solutions that spur the creation of new businesses by entrepreneurs and by advancing Reclamation's competitive edge in the area of water treatment and desalination.

Reclamation's continued water delivery and power generation cannot be accomplished without meeting our environmental responsibilities. Reclamation meets these responsibilities on its individual projects, such as the Central Valley Project and the Middle Rio Grande Collaborative

Program, through a large number of activities. The FY 2021 budget also funds Reclamation's Endangered Species Act recovery programs and other programs that contribute towards these efforts, such as the Columbia/Snake River Salmon Recovery Program; the San Juan, Upper Colorado and Platte Rivers Recovery Implementation Programs; and the Multi-Species Conservation Program within the Lower Colorado River Operations Program, among many others.

Central Valley Project Restoration Fund (CVPRF) - \$55,875,000

This fund was established by the Central Valley Project Improvement Act, Title XXXIV of P.L. 102--575, October 30, 1992. The budget of \$55.9 million is expected to be offset fully by discretionary receipts based on what can be collected from project beneficiaries under provisions of Section 3407(d) of the Act. The discretionary receipts are adjusted on an annual basis to maintain payments totaling \$30.0 million (October 1992 price levels) on a three-year rolling average basis. The budget of \$55.9 million for the CVPRF was developed after considering the effects of the San Joaquin River Restoration Settlement Act (P.L. 111-11, March 30, 2009), which redirects certain fees, estimated at \$2.0 million in FY 2021, collected from the Friant Division water users to the San Joaquin Restoration Fund.

California Bay-Delta Restoration Fund - \$33,000,000

The CALFED Bay-Delta Restoration Act (P.L. 108-361), as amended, authorized multiple Federal agencies to participate in the implementation of the CALFED Bay-Delta Program as outlined in the August 28, 2000, Record of Decision (ROD) for the CALFED Bay-Delta Program Programmatic Environmental Impact Statement and Environmental Impact Report. The legislation directed the implementing agencies to undertake a set of broadly described programmatic actions identified in the ROD to the extent authorized under existing law. In addition, the Act authorized \$389.0 million in Federal appropriations for new and expanded authorities.

The FY 2021 budget of \$33.0 million implements priority activities pursuant to P.L. 108-361. Six Federal agencies – the Department of the Interior, Department of Commerce, Department of Agriculture, Department of the Army, Environmental Protection Agency, and the Council on Environmental Quality —work together to ensure the Federal actions and investments the Administration is undertaking are coordinated in a fashion to help address California's current water supply and ecological challenges. This budget supports actions under the following program activities: \$1.7 million for Renewed Federal State Partnership, \$2.3 million for Smarter Water Supply and Use, and \$29.1 million to address the Degraded Bay Delta Ecosystem.

Policy and Administration - \$60,000,000

The \$60.0 million budget will be used to: 1) develop, evaluate, and directly implement Reclamation-wide policy, rules, and regulations, including actions under the Government Performance and Results Act; and 2) manage and perform functions that are not properly chargeable to specific projects or program activities covered by separate funding authority.