

H.R. 1607, H.R. 3027, AND H.R. 3675

LEGISLATIVE HEARING

BEFORE THE

SUBCOMMITTEE ON WATER, WILDLIFE AND
FISHERIES

OF THE

COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

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LEGISLATIVE HEARING ON H.R. 1607, TO CLARIFY JURISDICTION WITH RESPECT TO CERTAIN BUREAU OF RECLAMATION PUMPED STORAGE DEVELOPMENT, AND FOR OTHER PURPOSES; H.R. 3027, TO REAUTHORIZE FUNDING FOR THE RECLAMATION CLIMATE CHANGE AND WATER PROGRAM, “RECLAMATION CLIMATE CHANGE AND WATER PROGRAM REAUTHORIZATION ACT OF 2023”; AND H.R. 3675, TO AMEND THE WATER INFRASTRUCTURE IMPROVEMENTS FOR THE NATION ACT TO EXTEND CERTAIN CONTRACT PREPAYMENT AUTHORITY, “WESTERN WATER ACCELERATED REVENUE REPAYMENT ACT”

**Wednesday, June 14, 2023
U.S. House of Representatives
Subcommittee on Water, Wildlife and Fisheries
Committee on Natural Resources
Washington, DC**

The Subcommittee met, pursuant to notice, at 1:31 p.m. in Room 1324, Longworth House Office Building, Hon. Cliff Bentz [Chairman of the Subcommittee] presiding.

Present: Representatives Bentz, LaMalfa, González-Colón, Boebert, Duarte, Hageman; Huffman, Napolitano, Hoyle, Dingell, Gallego, and Porter.

Also present: Representatives Schweikert; and Stanton.

Mr. BENTZ. The Subcommittee on Water, Wildlife, and Fisheries will come to order.

Good afternoon, everyone. I want to welcome our witnesses, Members, and our guests in the audience to today's hearing.

Without objection, the Chair is authorized to declare a recess of the Subcommittee at any time.

Under Committee Rule 4(f), any oral opening statements at hearings are limited to the Chairman and Ranking Member. I therefore ask unanimous consent that all other Members' opening statements be made part of the hearing record if they are submitted in accordance with Committee Rule 3(o).

Without objection, so ordered.

I also ask unanimous consent that the gentleman from Arizona, Mr. Schweikert, be allowed to participate in today's hearing.

Without objection, so ordered.

We are here today to consider three legislative measures: H.R. 1607, a bill to clarify jurisdiction with respect to certain Bureau of Reclamation pumped storage development, sponsored by Representative Schweikert of Arizona; H.R. 3027, the “Reclamation Climate Change and Water Program Authorization Act of 2023,” sponsored by Representative Porter of California; and H.R. 3675, the “Western Water Accelerated Revenue Repayment Act,” sponsored by Representative Boebert of Colorado.

I now recognize myself for a 5-minute opening statement.

**STATEMENT OF THE HON. CLIFF BENTZ, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF OREGON**

Mr. BENTZ. Today, we are meeting to discuss the three Bureau of Reclamation bills just mentioned.

First, H.R. 1607, introduced by Mr. Schweikert of Arizona, which would extend the current Bureau of Reclamation withdrawal of land from Forest Service property on the Salt River in Arizona by a maximum of 2 miles in order to clarify jurisdiction and facilitate the development of pumped storage hydropower. Pumped storage hydropower utilizes two water reservoirs at different elevations to generate power by moving water down from one reservoir to the other through turbines.

Next, H.R. 3027, introduced by Ms. Porter of California, would reauthorize the Bureau of Reclamation’s WaterSMART Basin Studies Program until 2033. I know Ms. Porter is aware that her bill would require changes to ensure compliance with our floor protocols. This includes a 7-year sunset and funding levels equal to or less than the Fiscal Year 2023 funding levels.

Last, H.R. 3675, introduced by Mrs. Boebert of Colorado, would extend authorities that allow Bureau of Reclamation Project water users to prepay what they owe to the Federal Government. This bill continues what was a program created under the Water Infrastructure Improvements for the Nations Act, which was signed into law by President Obama in 2016.

Unless specifically authorized, most Bureau of Reclamation projects do not have the ability to make early payments to the U.S. Treasury. More than 80 entities took advantage of this program. Clearly, it was successful.

With that, I look forward to hearing from our Members and witnesses before us today.

I now recognize Ranking Member Huffman for his opening statement.

Mr. HUFFMAN. Thank you, Mr. Chairman.

Before we begin, I would like to ask unanimous consent for Representative Greg Stanton of Arizona to participate in today’s hearing.

Mr. BENTZ. Without objection.

STATEMENT OF THE HON. JARED HUFFMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. HUFFMAN. Thank you, Mr. Chairman, and thanks to the witnesses for joining us for today's hearing on three bills relating to the Bureau of Reclamation.

The Bureau serves as the largest wholesaler of water in the country, providing water to more than 30 million people and one out of five farmers in the American West. I look forward to hearing more about the bills on the agenda today and how they will affect Reclamation's work.

The first bill we will discuss is Representative Schweikert's H.R. 1607. This would reserve certain lands to the United States, specifically for the development, generation, and transmission of electrical power and energy for the use of the Salt River Federal Reclamation Project. The legislation has been proposed to assist that project in Arizona to expand pumped storage for hydropower facilities to meet increasing energy demands.

I look forward to hearing more about the effects of this bill in general. I like pumped hydropower a lot as a resource and a strategy.

The next bill on the agenda is Representative Boebert's H.R. 3675, and this bill would permanently reauthorize a section of the WIIN Act to allow Federal water contractors to convert their Federal water contracts to permanent contracts. It would also allow water contractors to pay back their repayment obligations to taxpayers at a discounted rate, and eliminate important requirements, specifically the requirement that contractors pay the full cost of water on farms larger than 960 acres.

The Committee has heard similar legislation over the years regarding accelerated prepayment. And before the passage of the WIIN Act, the Obama administration, taxpayer advocacy groups, and many others raised significant concerns about provisions like this. These concerns are just as relevant today, and they should be fully considered before moving forward with this legislation.

The final bill on the agenda is Representative Porter's H.R. 3027, the Reclamation, Climate Change, and Water Program Reauthorization Act. It would reauthorize Reclamation's successful Basin Study Program, which helps water managers plan and develop water strategies responding to climate change. We have already completed 19 basin studies that have helped identify and analyze approaches and strategies to meet future water needs using the best available scientific information.

Ms. Porter's legislation would reauthorize this program to ensure water management strategies assess the risks and impacts of climate change on our water resources. This is a big deal.

As the West continues to endure the effects of drought, it is critical that Federal technical experts effectively collaborate with state, tribal, and local water managers to address water supply and demand imbalances.

I hope today's hearing will facilitate a robust discussion in which we can work together toward true bipartisan solutions to address water management needs in the West.

With that, I yield back.

Mr. BENTZ. I will now introduce our first panel.

As is typical with legislative hearings, the bills' sponsors are recognized for 5 minutes each to discuss their bills. With us today, or soon to join us, are Congresswoman Lauren Boebert, Congresswoman Katie Porter, and Congressman David Schweikert.

I now recognize Mrs. Boebert for 5 minutes.

STATEMENT OF THE HON. LAUREN BOEBERT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Mrs. BOEBERT. Thank you, Mr. Chairman. I am proud to testify in support of H.R. 3675, my Western Water Accelerated Revenue Repayment Act.

This common-sense bill follows bipartisan precedent by allowing agriculture and municipal water users to prepay what they owe to the Federal Government. This prepayment generates early revenue for the Treasury, while also decreasing Federal paperwork requirements and operating costs for water users.

Without this authority, the vast majority of irrigation districts do not have the ability to make an early repayment to the Treasury. This is like telling a homeowner who has a mortgage that they cannot make early payments to pay it off, or like telling someone with a 5-year car loan they cannot pay off anything early and must wait the full 5 years.

Under current law, Bureau of Reclamation water storage and delivery project costs are allocated to the project beneficiaries. Under the beneficiary pays principle, irrigation and water districts that have contracts with the Federal Government for water delivered from the Bureau of Reclamation projects must repay the costs that they are allocated.

As long as the repayment obligation exists, these water users have to jump through more red tape, burdensome paperwork requirements, and limitations on how much acreage a farmer is allowed to plant. Prior to the passage of this provision, if water users wanted to repay what they owed early, Congress would have to enact a Federal law authorizing the repayment.

Prior to its expiration in 2020, the Bureau of Reclamation entered into agreements with 86 contractors for contract prepayments. This ultimately generated \$344 million for water storage account funding.

One of those contractors that took advantage of this authority is located in my district, the Florida Water Conservancy District in Durango, Colorado. It utilized the prepayment option back in 2019 for the Lemon Dam, which is a reclamation project on the Florida River. They support this legislation, and called this process "smooth as silk."

My bill is supported by many groups, including the Florida Water Conservancy District in Durango, Mesa County Farm Bureau, the Mesa County Commissioners, the San Luis & Delta-Mendota Water Authority, and many others.

In their letter of support, the National Water Resources Association stated, "This added tool will assist water systems in managing their operations in the most effective and efficient way possible at the time of rising costs and higher interest rates. The immersed water resource challenges in the Western United States require a strong partnership and regular collaboration between the water

community and Federal agencies.” Mr. Chairman, I would like to submit this letter that I am quoting from to the record.

Mr. BENTZ. Without objection.

Mrs. BOEBERT. Thank you. I encourage the Committee to continue to move on this common-sense bill, and move it forward through the Committee to see its ultimate passage.

Thank you so much, Mr. Chairman. I yield.

Mr. BENTZ. Thank you, Mrs. Boebert. I now recognize Ms. Porter for 5 minutes.

STATEMENT OF THE HON. KATIE PORTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. PORTER. Thank you very much, Mr. Chairman.

Most people who want to hear a one-liner go to a comedy club, not to a congressional hearing. But today, you all are lucky. I am going to give you two one-liners. Here is the first one: How many lawmakers does it take to extend a program that provides our constituents with water? I know. That is not funny. I guess you can see why I don’t do stand-up.

Actually, what worries me about the very serious question that I asked is that I don’t know the answer. Reclamation’s Basin Study Program is going to expire in September, and Washington still hasn’t acted. We are running out of time before our September deadline. Are we going to extend the program or miss the target?

That brings me to my second one-liner, a one-line bill to extend the program. Here is the line: Section 9503(f) of the Omnibus Public Land Management Act of 2009 is amended by striking “2023,” and—hold it, hold it for the punch line—inserting “2033.” This one-liner isn’t a joke, either. It is a solution that keeps this program intact without increasing its funding or changing any policy. It is a proposal that helps people retain access to water, and that is actually no joke, that is actually very serious.

This one line means that Colorado Basin states will continue to have the tools needed to assess water supply and identify long-term challenges that serve as a baseline, that help water utilities make informed decisions about providing water to Western Americans.

This one line means that the Bureau of Reclamation can continue to assure utilities that they are operating from the same baseline, and encourage innovative partnerships and conservation programs and policies to sustain current and future supplies.

Washington needs to pass my clean extension—just one line—of the Reclamation Basin Study Program.

If making sure our constituents don’t go thirsty wasn’t enough, I am even prepared to sweeten the deal. I have agreed to legislative changes if my bill, my one-liner, advances to mark-up. To comply with current House rules, I have agreed to change the 10-year reauthorization to an authorization of 7 years at the annual level most recently provided to the program, \$15.017 million.

If anyone can find any other changes that I could make to this incredibly short bill, I am all ears. There aren’t too many words left to scrutinize. You want a different title? Let’s talk. But people are tired of all the talk from Washington.

This bill should be a no-brainer. I am a teacher. I used to always tell my students, “You don’t have to wait to the last minute to do

your homework.” We don’t need to wait to September 2023, when this program expires, to reauthorize it. We can do it now.

With debilitating droughts, stopping our constituents from going thirsty should be a top priority. And we have a straightforward solution right now. If we believe in protecting water utilities and users, this bill should advance without delay to a mark-up, and then to a House Floor vote under the suspension of the rules.

I yield back.

Mr. BENTZ. Thank you, Ms. Porter.

I now recognize Mr. Schweikert for 5 minutes.

STATEMENT OF THE HON. DAVID SCHWEIKERT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

Mr. SCHWEIKERT. You snuck up on me there, Mr. Chairman and Mr. Ranking Member. I am actually here to make the pitch on H.R. 1607. It is a pumped storage.

For those of you who may know Arizona, we have a couple of unique sources of water. One is we fight with our friends in California over the Colorado River, but we also have our own watershed.

There is something called the Salt River Project. It is a really, really unique quasi-municipality. It actually predates statehood, which is sort of amazing to think about. But within that is a chain of lakes in these brutally rugged mountains. But it turns out that, and Stanton is an expert on this, he knows this as well as any of us, in there is an opportunity to do what we call pumped storage. And within that is the uniqueness.

For those of us in the desert southwest, we actually have time during parts of the day, because of our photovoltaic portfolio, where power basically almost falls to minimal price, the concept of pump up, and when the sun goes down and the air conditioners are running, run the water back down the cliff.

It is a terrific spot. It mathematically looks like it works. We just need the direction with the managing partner, which we hope will be Salt River Project, or we assume, and the Bureau of Reclamation, which is actually the true owner and controller of the land. And then, obviously, the neighboring Park Service.

So, Mr. Stanton and I have this concept and would like it to continue to move forward.

With that, I yield back.

Mr. BENTZ. Thank you, Mr. Schweikert. I thank the Members for their testimony. I will now introduce our second panel.

Mr. HUFFMAN. Did you want to give Stanton time?

Mr. BENTZ. I am sorry, Mr. Stanton, we will indulge a short statement.

Proceed.

STATEMENT OF THE HON. GREG STANTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

Mr. STANTON. Thank you very much, Mr. Chairman and Mr. Ranking Member, and thank you for the opportunity to join the Subcommittee for today’s hearing.

I, too, want to speak in favor of H.R. 1607, an issue that is of great importance to my home state of Arizona.

The population in the Phoenix Metro Area, already one of the most populous regions in the country, is growing rapidly, and our economy is growing right along with it, bringing new energy demands. Back home, we are already seeing daily temperatures in the hundreds. The hot summer months are when demand for electricity are at its highest. That is why it is so critical for our region to invest in our energy infrastructure.

Having a robust, diverse, renewable energy mix, including hydropower, makes our power grid more resilient and better able to meet the demands of our constituents.

Congressman Schweikert and I teamed up to introduce H.R. 1607 to help enable the evaluation and exploration of additional pumped storage hydropower facilities to the Salt River Reservoir System, which serves more than 2 million energy customers in the Greater Phoenix area.

Pumped hydropower storage uses excess electricity when demand is low, like during the day, when renewables like solar panels are generating power, to pump water to a higher-elevation reservoir. Throughout the night, when the other renewable resources are ramping down, that water can be used to generate hydropower to provide electricity to customers.

Not only do pumped storage projects help integrate renewable energy into our power grid, they provide greater flexibility and reliability for the entire system. And critically, it cuts utility costs for Arizona families and businesses.

And I hope the Committee will move quickly with this bill, and thank my colleagues for their support.

I yield back.

Mr. BENTZ. Thank you, Mr. Stanton. I thank the Members for their testimony.

I will now introduce our second panel: Mr. Michael Brain, Deputy Commissioner, Bureau of Reclamation, Washington, DC; Mr. Cannon Michael, Chairman, San Luis & Delta-Mendota Water Authority, Los Banos, California; and Ms. Leslie Meyers, Associate General Manager and Chief Water Resources Executive, Salt River Project, Tempe, Arizona.

Let me remind the witnesses that under Committee Rules, they must limit their oral statements to 5 minutes, but their entire statement will appear in the hearing record.

To begin your testimony, please press the "talk" button on the microphone.

We use timing lights. When you begin, the light will turn green. When you have 1 minute remaining, the light will turn yellow. And at the end of the 5 minutes, the light will turn red, and I will ask you to please complete your statement.

I will also allow all witnesses to testify before Member questioning.

I now recognize Deputy Commissioner Brain for 5 minutes.

**STATEMENT OF MICHAEL BRAIN, DEPUTY COMMISSIONER,
BUREAU OF RECLAMATION, WASHINGTON, DC**

Mr. BRAIN. Good afternoon and thank you, Chairman Bentz, Ranking Member Huffman, members of the Subcommittee for the opportunity to provide Interior's views on the bills before you

today. My name is Michael Brain, and I have the privilege of serving as the Deputy Commissioner for the Bureau of Reclamation within the Department of the Interior.

As you are aware, the West is experiencing unprecedented drought, and in Western watersheds there have been successive and compounding years of dry hydrology. The drought highlights the need for immediate actions, as well as for thoughtful planning and on-the-ground work to make both our infrastructure and our operational decisions more resilient.

Meeting Reclamation's mission today means addressing drought resilience, water security, issues of equity, climate change adaptation, and ecosystem health. Fortunately, with the resources made available by Congress through the Bipartisan Infrastructure Law and the Inflation Reduction Act, Reclamation has been able to prioritize and accelerate projects that will help us to respond to the issues that we are faced with.

In the year-and-a-half that Reclamation has been charged with implementation of the Bipartisan Infrastructure Law, we are proud of our efforts to engage with our tribal, stakeholder, and congressional partners. Due to the strength of these partnerships and the hard work of Reclamation's dedicated staff, we have allocated \$2.5 billion of Bipartisan Infrastructure Law funding to 369 projects across 12 program areas, and in all 17 Western states plus Alaska, Hawaii, and Puerto Rico.

Reclamation has issued more than a dozen Bipartisan Infrastructure Law-related funding opportunities to date, with more on the way for the rest of 2023. We have established new programs in small storage, aquatic ecosystem restoration, and environmental water resource projects, and planning and design.

Aging Infrastructure Account funding made available in the Bipartisan Infrastructure Law has enabled numerous major rehabilitation activities on facilities maintained by our partners that would otherwise have been difficult to realize, such as major lining projects on the New York and Truckee Canals that will improve safety, reduce long-term maintenance needs, and conserve precious water supplies.

Additionally, in Fiscal Year 2022 Reclamation distributed a higher-than-ever 1-year investment of \$420 million in the Rural Water Program across six projects, some that benefit tribal areas. In Fiscal Year 2023, we announced \$278 million across seven projects. We also allotted \$60 million for the Arkansas Valley Conduit Project, which benefits disadvantaged Americans, and was able to break ground last month.

In addition to funding announcements that have already taken place in the Colorado River Basin, Reclamation anticipates making additional announcements pertaining to other sections of the Inflation Reduction Act this summer.

Like the Bipartisan Infrastructure Law and Inflation Reduction Act, the legislation being considered today seeks to address the challenges we currently face and those we will face in the future. For example, H.R. 1607 will increase energy storage through a pumped storage project that will help Reclamation meet its mission to deliver power by improving grid reliability, avoiding transmission congestion and potential interruptions in energy supply.

This bill does not grant Reclamation any new authorities, but will allow the Salt River Project to continue its path toward construction.

The Department supports this bill, and looks forward to working with the bill's sponsor and the Subcommittee on technical edits.

Additionally, H.R. 3027, which would reauthorize Reclamation's Climate Change and Water Program, gives Reclamation and our stakeholders the tools we need to address long-term challenges posed by climate change and shifting hydrologic realities. The Department supports this bill and the reauthorization of the Climate Change and Water Program.

Lastly, H.R. 3675 would allow for expedited repayment of irrigation construction obligations, making more funding available for additional water storage needs, as well as providing additional flexibility for Reclamation's water users and contract holders. The Department looks forward to working with the bill's sponsor and the Subcommittee to address technical edits.

The Department recognizes the bills before the Committee today seek to address the impacts from the ongoing drought, building a more resilient infrastructure and ecosystems, and appreciates the work of all the bills' sponsors.

I look forward to discussing this legislation in more detail, and to continuing to work with the Committee and the bills' sponsors on potential technical edits as they move forward.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Brain follows:]

PREPARED STATEMENT OF MICHAEL BRAIN, DEPUTY COMMISSIONER, U.S. BUREAU OF RECLAMATION

ON H.R. 1607, H.R. 3027, AND H.R. 3675

Chairman Bentz, Ranking Member Huffman, and members of the Subcommittee, I am Michael Brain, Deputy Commissioner for the Bureau of Reclamation within the Department of the Interior (Interior). Thank you for the opportunity to provide Interior's views on these bills.

H.R. 1607—To clarify jurisdiction with respect to certain Bureau of Reclamation pumped storage development, and for other purposes

The Bureau of Reclamation (Reclamation) is the largest water supplier in the United States, owning and operating 188 projects across the western states with dams, reservoirs, canals, and other distribution infrastructure. Reclamation is interested in and supports the potential to develop pumped storage projects at existing facilities. Pumped storage is an efficient means to store energy when supply exceeds demand and has been shown to be one of the most useful methods for regulating intermittent renewable generation resources, such as wind and solar. Increased energy storage provided by a pumped storage project improves grid reliability, avoids transmission congestion periods, and avoids potential interruptions in energy supply.

Reclamation's Salt River Federal Reclamation Project, located near Phoenix, Arizona is one of Reclamation's first projects, authorized in 1903, and includes facilities located across portions of Maricopa, Gila, and Pinal Counties. The Salt River Federal Reclamation Project is operated by the Salt River Project. The Salt River Project or "SRP" is comprised of two entities, the Salt River Valley Water Users' Association, which operates the Reclamation Project, and the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State of Arizona, which operates the non-hydrogeneration resources and provides power to central Arizona. Seven storage reservoirs furnish water supply from the Salt and Verde Rivers to the Phoenix metropolitan area. The power system includes hydroelectric, natural gas, oil, coal, wind, and solar generation resources. SRP is reducing

its carbon dioxide emissions through the retirement of older generation resources and development of renewable generation and storage projects.

In 2014, Reclamation prepared a Reclamation-wide Pumped Storage Screening Study that identified a location for pumped storage along the Salt River. Based on that initial work, SRP developed two possible locations for the construction of a pumped storage development project. The results of that work indicated the potential for a project with a generating capacity between 1,000 and 1,150 megawatts (MW) utilizing pump-turbines housed alongside a water conveyance tunnel for generation and pumping water from Apache Lake to an upper reservoir.

Using the data acquired from the previous studies, H.R. 1607 would allow for the withdrawal of Federal land from the National Forest System to the Bureau of Reclamation, through the Secretary of the Interior, for the development, generation, and transmission of electrical power and energy for the use of and benefit of the Salt River Federal Reclamation Project in Arizona.

Through the transfer of this land, H.R. 1607 would allow the proposed pumped storage project to be developed entirely within the authorities and footprint of the Federal Reclamation Project—streamlining development and maximizing Federal Reclamation Project benefits.

H.R. 1607 would not grant Reclamation new authorities to fund the construction of the project, but instead would allow the Salt River Valley Water Users' Association to continue to evaluate and construct the project at their cost.

Title to the facilities developed on such land would be held by the United States as a part of the Project, with operation and maintenance remaining a responsibility of the Salt River Valley Water Users' Association as an authorized feature of the Project. H.R. 1607 would also direct the Secretary of Agriculture to prepare a map, as soon as practicable, depicting the boundaries of the covered land and make it available at the appropriate offices of the Forest Service and the Bureau of Reclamation.

The Department supports the development of pumped storage projects, where feasible, as an efficient means to store energy and improve grid reliability. The Department supports H.R. 1607 and looks forward to working with the bill sponsor and the Subcommittee to address a few technical edits.

H.R. 3027—Reclamation Climate Change and Water Program Reauthorization Act of 2023

The American West faces serious water challenges. Increasing populations, competition for finite water supplies, along with drought and floods, all strain existing water and hydropower resources. At the same time, extended droughts are impacting water availability and climate change is likely to compound the impacts. Changes to temperature, precipitation (rainfall and snowfall), and the timing and quantity of snowpack and runoff pose a significant challenge to the protection and use of water resources. Ensuring a safe and secure water supply remains a fundamental pursuit for life in the West.

The Science and Engineering to Comprehensively Understand and Responsibly Enhance Water Act (SECURE Water Act), included in the Omnibus Public Land Management Act of 2009, authorized several Interior programs to help address the Nation's water challenges. The Reclamation Climate Change and Water Program, along with other critical programs authorized by the SECURE Water Act, are set to expire at the end of Fiscal Year 2023. H.R. 3027 would extend the Reclamation Climate Change and Water Program authorization to 2033. The 2009 SECURE Water Act provided Reclamation with specific authority and responsibility to use appropriations to:

- Assess the risks from climate change to water supplies in each major Reclamation river basin
- Analyze how such changes will impact various water uses and services
- Coordinate and collaborate with other federal agencies, including the United States Geological Survey and the National Oceanic and Atmospheric Administration, to use the best available science to assess changes to water supplies
- Provide resources to our partners and stakeholders to collaboratively address current and future impacts to water supply and demand
- Conduct Reservoir Operations Pilots to identify potential improvements to reservoir operations to manage water through increased extreme events (e.g., floods and droughts). (For more information, please see: Reservoir Operation Pilots/WaterSMART (usbr.gov))

In carrying out the assessments, Reclamation has developed consistent, West-wide approaches to assess climate change risks and impacts to water resources as well

as tools and information applicable Reclamation-wide. Reclamation has leveraged research and development activities when undertaking West-wide Climate Change Risk Assessments. These assessments provide consistent projections within the Program for Reclamation's WaterSMART (Sustain and Manage America's Resources for Tomorrow) Basin Study Program, where stakeholder-driven Basin Studies identify long-term water supply and demand imbalances and develop strategies and tools needed by water managers to address those imbalances. Non-Federal partners cost-share to evaluate the impacts of climate change and identify a broad range of potential strategies and tools to address current and future shortages.

Since authorization in 2009, Reclamation has funded 32 Basin Studies in 15 Western States. Notable examples include the 2012 Colorado River Basin Water Supply and Demand Study that identified an array of potential adaptation and mitigation strategies that are fundamental to the follow-on efforts underway today, and the 2019 Upper Deschutes Basin Study in Oregon that brought together different basin interests in working toward strategies to improve streamflow for ecosystem benefits while also recognizing the challenges facing irrigated agriculture. These studies have strengthened relationships with non-federal entities and have created a technical foundation contributing to inform and allow for additional follow-on efforts. Basin Studies have brought together partners with competing demands for water and have paved the way for a common understanding of hydrology and built a collaborative approach to identifying solutions, avoiding conflict, and providing an alternative to litigation.

With our Federal, State, Tribal, and local partners, the Basin Study Program addresses challenges resulting from climate change and shifting demographics. Reclamation uses a multi-faceted approach to support reliable water and hydro-power deliveries; to help maintain healthy ecosystems; to protect federally listed fish, wildlife, and plants, as well as designated critical habitat; and to manage risks (e.g., droughts, floods, and fires). Implementing the SECURE Water Act has served as a catalyst for collaboration and innovation, improving our understanding of climate change impacts to water resources and our ability to provide a way for water users to collaboratively address those impacts.

Given the historic drought conditions experienced over the past decade, the authorities provided by the Section 9503 of the SECURE Water Act remain an important tool for Reclamation's mission. The Department supports H.R. 3027 and the reauthorization of the Climate Change and Water Program.

H.R. 3675—Western Water Accelerated Revenue Repayment Act

The principle of "beneficiaries pay" has been a fundamental aspect of Reclamation law since the early 1900s, requiring that investments be repaid by the beneficiaries of that investment, except where that benefit is for the common welfare or accrues to taxpayers generally. Section 4011 of the Water Infrastructure Improvements for the Nation (WIIN) Act (P.L. 114-322) directed Reclamation to convert water service contracts to repayment contracts under Section 9(d) of the Reclamation Project Act of 1939, 53 Stat. 1195, allowing for full and accelerated repayment of capital obligations owed to Reclamation for facilities repayment upon a contractor's request, allowing for repayment, either in lump sum or by accelerated prepayment, of the remaining construction costs.

Under Section 4011 of the WIIN Act, upon a contractor's compliance with and discharge of the obligation of repayment of the construction costs, certain provisions of the Reclamation Reform Act of 1982 (96 Stat. 1269), including certain limitations on farm acreage and federal reporting requirements no longer apply.

Section 4011(e) further provided that subject to several conditions, such prepayment of contracts beyond amounts necessary to cover forgone receipts from scheduled payments for 10 years after enactment shall be allocated to a Reclamation Storage Account to fund construction of water storage project, with a cap of \$335,000,000.

The direction provided by Congress under Section 4011 expired at the end of 2020. H.R. 3675 would amend Section 4013, allowing for the direction provided under Section 4011 to be extended with no expiration.

Prior to expiration, Reclamation entered into agreements with 86 contractors that requested consideration under Section 4011(a) for contract prepayment. While Reclamation received inquiries from other regions and projects, the vast majority of requests were from contractors that operate in the Central Valley Project (CVP) within the California-Great Basin Region. As such, if this Section were to be extended, it is unclear how many contractors would have interest. Since enactment of the WIIN Act, storage account funding from contract prepayment is currently \$344 million.

It should be noted that under Section 4011, any new irrigation repayment obligations taken on in support of new construction would be subject to the provisions of the Reclamation Reform Act.

H.R. 3675 would allow for contracts repayment to be expediated, allowing for funding to more quickly be returned to the Treasury and provide additional flexibility for Reclamation's water users and contract holders. The Department looks forward to working with the bill sponsor and Subcommittee to address technical edits.

QUESTIONS SUBMITTED FOR THE RECORD TO MICHAEL BRAIN, DEPUTY
COMMISSIONER, U.S. BUREAU OF RECLAMATION

Questions Submitted by Representative Boebert

Question 1. Deputy Commissioner Brain, you testified that this bill provides "additional flexibility for Reclamation's water users and contract holders." Can you go into more detail on that?

Answer. Section 4011 of the Water Infrastructure Improvements for the Nation (WIIN) Act (P.L. 114-322) allowed Reclamation water users and contract holders to convert water service contracts into repayment contracts. The conversion allows for accelerated repayment of construction obligations owed to Reclamation for facilities repayment. As Section 4011 is a voluntary process, it gives contract holders an additional option to address their long-term needs. Further, under Section 4011, once contractors fully repay their construction obligation, they are no longer subject to the acreage limitation requirements of the Reclamation Reform Act. This would allow for use of Reclamation irrigation water on farming operations greater than 960 acres.

Question 2. Deputy Commissioner Brain, you testified that the Bureau of Reclamation worked with 86 contractors that requested consideration for contract prepayment when this was previously authorized. Can you further discuss the successes of the program and how the dollars collected from prepayment are being used?

Answer. As noted, Reclamation entered into agreements with 86 contractors that requested conversion of their water service contracts into repayment contracts under Section 4011(a) of the WIIN Act. Under Section 4011, the funding from these payments has been deposited in a Reclamation Water Storage Account to fund construction of water storage projects.

Mr. BENTZ. Thank you, Deputy Commissioner, and I now recognize Mr. Michael for 5 minutes.

**STATEMENT OF CANNON MICHAEL, CHAIRMAN, SAN LUIS &
DELTA-MENDOTA WATER AUTHORITY, LOS BANOS,
CALIFORNIA**

Mr. MICHAEL. Good afternoon, Chairman Bentz, Ranking Member Huffman, members of the Subcommittee. It is a pleasure to be here. I do feel quite a long way from the farm sitting here in front of you, but I am pleased to be here.

My name is Cannon Michael. I run my family's farming operation in the Central Valley of California. We grow over 20 different crops, both organic and conventional. We also manage wildlife habitat that we own adjacent to the Grasslands Wildlife Management Area. And we have an active compost center on the farm, where we are taking green waste from urban centers to turn it into valuable compost on the farm and help avoid the organics going into landfills.

Over my career in farming, I have become interested in California water issues and, obviously, it is essential to farming,

but it is also essential to our communities and to all those around us and the environment.

I became Chairman of the San Luis & Delta-Mendota Water Authority because of my interest in that organization and our 27 members that have quite a bit of diversity with urban representatives of San Benito and Santa Clara. Over 2 million residents of California fall underneath the authority's umbrella, as well as over 1.2 million acres of irrigated farmland and over 130,000 acres of wetland habitat, being the grassland. So, Ag, urban, and environmental users all working together, which is essentially how I see the most sustainable pathway in terms of California water. And I am a Director on the Board of Directors of the Family Farm Alliance.

I am here today testifying about H.R. 3675, and thanks to Congresswoman Boebert for bringing this forward.

There has been a lot of discussion about the streamlining effect that this bill would have and the help that it is for our members, actually, for the water authority. Almost all of our members took advantage of this opportunity under the WIIN Act. You can find in my written testimony quite a bit more detail.

I think one of the most important aspects of this bill is the provision that the funds repaid to the Federal Government will be deposited in the water storage account that can be used to construct new water facilities, which are desperately needed, not just in California, but throughout the West.

Infrastructure is really the backbone of California. We saw, certainly this year, the importance in the extreme wet hydrology of the existing above-ground storage investments that were made many years ago to protect communities such as Sacramento and also provide the flood control benefits.

I think we also, with the excessive hydrology, saw quite a bit of a missed opportunity in terms of a lot of water that was not able to be captured. So, having additional funding for water storage is critical.

And I would also highlight, in light of climate change, cold water for anadromous fish is going to become increasingly important, so having some of that infrastructure will provide cold water pool for fish, which is important.

Again, our members have seen a huge benefit. As was stated earlier, more than 80 entities have pursued that prepayment. I believe there are up to 200 that could still take part in this, so it certainly seems like an opportunity that should be extended and opened up to others. Again, it has been very beneficial for our folks.

I am happy to take some questions, and with that I will yield my time.

[The prepared statement of Mr. Michael follows:]

PREPARED STATEMENT OF CANNON MICHAEL, CHAIRMAN, SAN LUIS & DELTA-
MENDOTA WATER AUTHORITY
ON H.R. 3675

My name is Cannon Michael, and I am the Chairman of the San Luis & Delta-Mendota Water Authority. The San Luis & Delta-Mendota Water Authority (Water Authority or SLDMWA) serves 27 member agencies within the western San Joaquin Valley, San Benito and Santa Clara counties, who provide water service to approximately 1,200,000 acres of irrigated agriculture, over 2 million people, and more than 130,000 acres of wetlands providing habitat critical to migratory waterfowl along the Pacific Flyway. I also serve on the Board of Directors of the Family Farm Alliance (Alliance) which has supported giving Reclamation accelerated repayment authority for nearly two decades and also endorse my comments.

Thank you for the opportunity to testify on H.R. 3675, a bill to amend the Water Infrastructure Improvements for the Nation Act to extend certain contract prepayment authority. The Water Authority and the Alliance fully support enactment of this bill, which will extend important, win-win authorities that allow water users to accelerate repayment of capital construction costs for Reclamation facilities. We appreciate Congresswoman Boebert for introducing this bill and want to thank all of the co-sponsors.

H.R. 3675 and Accelerated Repayment

Since its inception, the Reclamation program has generally operated under the principle that the federal government expends the upfront capital to construct water projects, with those capital costs repaid by the beneficiaries of the projects under a contract with the Bureau of Reclamation. Under Reclamation law, repayment obligations to the federal government are typically repaid over as long as 40 or 50 years through either a repayment contract or a water service contract. Water users are also responsible for operations and maintenance (O&M) costs of Reclamation facilities.

While both repayment and water service contracts ensure all capital and O&M costs of the associate Reclamation facilities are paid, the structure of repayment and application of regulations after all capital cost have been repaid differ. For repayment contracts, capital is amortized over the contract term (which is often determined by Congress) at a fixed, annual payment and O&M is paid as it is incurred. Water service contracts on the other hand, pay a combined rate for water delivered that includes in capital repayment, O&M, and in some cases, other costs that Congress has allocated to water users.

Once a Reclamation contractor has fulfilled all its capital repayment obligations, those facilities are considered "paid out." As discussed further below, under current law, paid out repayment contractors are no longer subject to restrictive acreage limits and certain other regulations in Reclamation law. Water service contractors do not get the same relief upon full repayment of capital obligations.

In the past, Congress has specifically allowed early repayment for certain projects or facilities, though until a temporary authorization was enacted in the Water Infrastructure Improvements for the Nation Act (WIIN Act; P.L. 114-322) there was no general allowance or prescribed process in Reclamation law to allow accelerate payout. That authority has now expired.

H.R. 3675 would extend these WIIN Act authorities and allow Reclamation contractors that remain interested in early repayment to pursue such an action with the agency. Specifically, H.R. 3675 would permanently address the numerous important aspects of Reclamation law relevant to accelerated repayment, including:

- Allowing for conversion from a water service contract to a repayment contract for agricultural and municipal contractors.
- Authorizing prepayment of capital costs through a lump sum or with accelerated installments.
- Clarifying that current law related relief from acreage limits, reporting requirements, and other components of the Reclamation Reform Act (RRA) applies to all contractors that pay out capital costs early under this authority, while ensuring continued compliance with Reclamation law and relevant requirements.
- Establishing a discount rate to determine present value for the purposes of repayment.
- Prohibiting power revenues from being used in repayment of capital costs under this authority.

- Ensuring that accelerated repayment will not affect the repayment obligations of other Reclamation contractors.
- Ensuring that any remaining costs, including O&M, that are not part of the accelerated repayment remain the obligation of the contractor.

As outlined further below, accelerated repayment can bring several benefits for Reclamation contractors and the federal government, and we fully support making the pathway to those benefits permanent through enactment of H.R. 3675.

Benefit of Accelerated Repayment for Water Users and the Federal Government

Reclamation contractors pursue accelerated repayment of their capital obligations for various reasons depending on their unique circumstances. One common reason water users pursue accelerated repayment is to remove the acreage limits and reporting requirements established by the RRA which can be cumbersome and restrictive.

The RRA, enacted in 1982, modified Reclamation law by increasing the per owner limits on acreage that can receive Reclamation water, while also requiring that those limits account for all of a contractor's land, including lands that are leased or in another Reclamation project boundary. RRA also established increased water prices (so called full-cost water) for water delivered to lands in excess of established limits and requires extensive reporting and paperwork each year. As referenced above, under current law, contractors that are considered paid out under a repayment contract are no longer subject to these RRA requirements, while water service contractors remain subject to RRA limitations and reporting even after capital repayment is complete. The efficiencies gained by removing RRA restrictions and requirements can be significant and lead many contractors to seek pay out sooner than their contract would otherwise require.

Additionally, paying out federal obligations increases certainty for contractors regarding long-term water supply, allows entities that are interested to pursue title transfer in order to increase financing opportunities and streamline approvals, and achieves other specific goals like avoiding RRA related Securities and Exchange Commission disclosures for publicly traded companies.

From the Federal perspective, authorizing early repayment will accelerate Treasury receipts and raise revenue for the federal government. Importantly, H.R. 3675 would ensure that all contractual repayment obligations are repaid in full at present value, including some that currently do not carry interest, ensuring that no additional costs are shouldered by U.S. taxpayers.

However, the benefits from utilizing Sec. 4011 contract conversion authority benefits more than a specific project or the Treasury. Funds received from prepayment or accelerated repayment are held in a Treasury account to be used for funding additional water storage projects. The western United States has been experiencing significant variations in hydrology, ranging from drought to flooding, and expediting funds back to the federal government that can be turned around to support additional water storage is of utmost priority. In California, if the past few years have shown us anything, it's that we must continue investing in additional water storage capacity so that we can capture more water in wet periods like the ones we saw this year that can be used in dry periods like we've had over the prior few years. Since the WIIN Act was signed into law, more than 80 entities have pursued prepayment of their federal obligations under the Sec. 4011 authority—which includes nearly all of our 27 members at the Water Authority. These numbers illustrate the need and desire in our region to utilize the Sec. 4011 authority under the WIIN Act, and the legislation would allow other regions and water managers to consider the benefits. H.R. 3675 permanently extends the Sec. 4011 authority which expired in 2021, allowing the opportunity for more entities to pursue contract conversions and prepayment while significantly expediting receipts to the Treasury.

Conclusion

Thank you again for the opportunity to testify. We urge the subcommittee to pass H.R. 3675 which will extend the benefits of early repayment for additional Reclamation contractors and the federal government. We look forward to working with the bill sponsor and the Subcommittee on this proposal and stand ready to answer any questions you might have.

QUESTIONS SUBMITTED FOR THE RECORD TO MR. CANNON MICHAEL, CHAIRMAN,
SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

Mr. Michael did not submit responses to the Committee by the appropriate deadline for inclusion in the printed record.

Questions Submitted by Representative Boebert

Question 1. Chairman Michael, thank you for your excellent testimony and for making the trip. I greatly appreciate the Water Authority's support of my bill. H.R. 3675. As you are aware, Colorado and the West have suffered from extreme drought in recent years. Water Storage projects are a great tool to help supply our communities with clean water in dry times.

Can you elaborate how the funding generated from this common-sense bill will lead to more water storage projects in the West?

Question 2. Chairman Michael, I know you touched on it your written testimony, but is this bill good for taxpayers and if so, can you explain why?

Question 3. Chairman Michael, can you further discuss how removing the RRA limitations and burdensome requirements benefits contractors?

Question 4. Chairman Michael, can you elaborate on how H.R. 3675 will permanently address the numerous important aspects of Reclamation law in relation to accelerated repayment?

Question 5. Chairman Michael, in this country, would we ever tell a homeowner they couldn't pay off their home loan early? How about someone with a car loan, we allow hard-working Americans to pay off their car loans early if they are able to, correct?

Do you agree agriculture and municipal water users should also be able to pay off what they owe through a similar, permanent program?

Mr. BENTZ. Thank you, Mr. Michael, and I now recognize Ms. Meyers for 5 minutes.

STATEMENT OF LESLIE MEYERS, ASSOCIATE GENERAL MANAGER AND CHIEF WATER RESOURCES EXECUTIVE, SALT RIVER PROJECT, PHOENIX, ARIZONA

Ms. MEYERS. Thank you, Chairman Bentz, Ranking Member Huffman, and members of the Subcommittee. I am Leslie Meyers, the Associate General Manager and Chief Water Executive for the Salt River Project. Thank you for the opportunity to testify in support of H.R. 1607, legislation clarifying the Bureau of Reclamation's jurisdiction over the development of hydro pumps.

SRP has been serving Arizona since 1903, almost 10 years before Arizona became the 48th state. Today, we are the third-largest not-for-profit, community-based public power entity in the country, providing sustainable, reliable, and affordable electricity to nearly 3 million people.

SRP is also the largest raw water provider in the Phoenix Metropolitan Area. Formed at the turn of the 20th century to contract with the Federal Government for construction of Theodore Roosevelt Dam, SRP manages and operates seven Bureau of Reclamation dams and reservoirs.

SRP began generating hydropower in 1906, later incorporating pumped-back storage between the reservoirs to provide resiliency to the system.

Today, SRP's diverse energy portfolio includes solar, wind, geothermal, natural gas, coal, nuclear, and, of course, hydropower.

As SRP adds significantly more solar to our power system, we will need long-duration storage to store excess solar generated during the day, and to dispatch it overnight to ensure reliable service around the clock. SRP is currently incorporating 1,100 megawatts of new 4-hour battery storage. Additionally, we are developing an option of adding 2,000 megawatts of longer-duration pumped storage along Apache Lake on the Salt River that will be capable of generating power for up to 10 to 12 hours.

Simply put, pumped storage facilities push water uphill from a lower reservoir to an upper reservoir when energy is available, like when solar is generating during the day. Then, when energy is needed back on the grid, water is allowed to flow back downhill through the turbines to generate electricity. Pumped storage facilities are straightforward and proven technology, and in this case we will use existing infrastructure.

SRP is evaluating two sites for the development of new pumped storage. Both are located almost entirely on National Forest System lands previously withdrawn for Reclamation purposes by Congress and the Secretary of the Interior specifically to store water and generate hydropower for the beneficiaries of the Salt River Federal Reclamation Project. A portion of both of those sites lies just outside the existing withdrawal.

H.R. 1607 addresses this deficiency by extending the existing withdrawal to cover both sites, which clarifies jurisdiction and facilitates project development. The extension provided in H.R. 1607 would align the development and management of any new pumped storage facility with SRP's current care, operation, and management of our existing reclamation facilities.

To provide historical context, Congress and the Secretary of the Interior have withdrawn National Forest System lands on the Salt River Project watersheds more than 50 times since 1903 to facilitate appropriate development and operation of the reclamation project components, like dams, reservoirs, canals, pipelines, and our hydropower facilities.

It is important to note that this legislation does not remove the need for any Federal or state environmental permitting or public input processes, or tribal consultations. SRP is committed to working with Federal agencies, Tribal Nations, and many other stakeholders interested in this project.

The Bureau of Reclamation, Tonto National Forest, and SRP will continue to coordinate on land management decisions within the proposed withdrawal, just as we do today under an existing tri-party agreement.

Thank you, Chairman Bentz and Ranking Member Huffman, for this opportunity to testify today. I look forward to answering questions, and hope that we can continue to build off this important work being done under H.R. 1607.

[The prepared statement of Ms. Meyers follows:]

PREPARED STATEMENT OF LESLIE A. MEYERS, ASSOCIATE GENERAL MANAGER,
SALT RIVER PROJECT
ON H.R. 1607

Chairman Bentz, Ranking Member Huffman, and members of the Subcommittee, thank you for the opportunity to testify before you today in support of H.R. 1607, legislation to clarify jurisdiction with respect to the development of pumped storage on the Salt River in Arizona. My name is Leslie Meyers and I am the Associate General Manager & Chief Water Resources and Services Executive at Salt River Project (SRP).

The Salt River Project (SRP)

SRP was formed at the turn of the 20th century to contract with the federal government for the construction of Theodore Roosevelt Dam, and other components of the Salt River Federal Reclamation Project. SRP manages and operates seven dams and reservoirs throughout Arizona, along with 1,300 miles of canals, laterals, ditches, and pipelines to deliver water to approximately 400 square miles of land in the greater Phoenix area. The dam and reservoir system can store approximately 2.3 million acre-feet of water runoff from the Salt and Verde River and East Clear creek systems, making SRP the largest raw water provider in the Phoenix Metropolitan area.

SRP is also the third largest not-for-profit community based public power utility in the country, providing reliable, affordable, and sustainable electricity to nearly 3,000,000 people in Arizona. SRP has a diverse energy portfolio that includes nuclear, solar and wind, natural gas, battery storage, coal, geothermal and hydropower.

Need for Energy Storage and System Operational Flexibility

SRP is making transformative changes to its power generation resource portfolio over the coming decade and beyond. In addition to incorporating 1,100 MW of new four-hour battery storage by 2024, SRP is also exploring long-duration pumped storage hydropower options. As more renewable resources are added to the power system to meet projected growth in energy demand, there will be an increasing need for a diverse portfolio that includes longer-duration energy storage capable of providing grid resiliency, that can store the large amount of solar energy generated during the day and provide reliable electricity in the evening hours.

SRP developed and operates 150 MW of pumped storage hydropower generation on the Salt River dam and reservoir system. For more than 40 years, these pumped storage facilities have provided reliable electricity and confidence that bringing additional pumped storage onto SRP's system will help meet changing customer preferences and needs. SRP has identified two sites adjacent to Apache Lake that can power the equivalent of up to 500,000 homes by storing solar and other energy during the day and delivering it during the evening. Each site would use an existing reservoir (Apache Lake) as the lower reservoir and require construction of a new upper reservoir. A 2014 Bureau of Reclamation study¹ (Reclamation-Wide Pumped Storage Screening Study) found that adding pumped storage to Apache Lake as a lower reservoir ranked 3rd out of 348 reservoir locations studied.

These facilities would help provide a portion of the long-duration energy storage while maintaining grid reliability and diversifying energy storage resources and supply chains. Leveraging the resiliency of SRP's existing reservoir system on the Salt River provides a reliable renewable water source for pumped storage operations even during severe drought.

History of SRP as a Reclamation Project & Associated Reclamation Withdrawn Lands

Congress and the Secretary of the Interior (Secretary) authorized the construction of the Salt River Federal Reclamation Project as one of the first projects under the Reclamation Act of 1902. The major dam sites, storage reservoirs, and hydropower generating facilities that SRP operates and maintains are located on National Forest System lands that Congress and the Secretary withdrew for the Reclamation purpose of storing water and generating hydropower for beneficiaries of the Salt River Federal Reclamation Project.

¹Reclamation-Wide Pumped Storage Screening Study: [https://www.usbr.gov/power/data/Pumped_Storage_Assessments/Pumped_Storage_Screening_Study_Report_\(Errata1_2\)_Sep_2020.pdf](https://www.usbr.gov/power/data/Pumped_Storage_Assessments/Pumped_Storage_Screening_Study_Report_(Errata1_2)_Sep_2020.pdf)

Since 1903, Congress and the Secretary have withdrawn certain National Forest System lands on the Salt and Verde River and East Clear Creek watersheds more than 50 times to further these Reclamation purposes.

Purpose of Legislation

In 1905, Congress and the Secretary withdrew the majority of the National Forest System lands adjacent to Apache Lake where the two potential pumped storage sites are located. H.R. 1607 would extend this withdrawal by two miles to capture the upper reservoir sites and associated infrastructure to clarify that the Bureau of Reclamation has jurisdiction to evaluate the development of such facilities. Accordingly, the legislation would align the jurisdiction, planning, development, operation and maintenance of any such facilities with other facilities of the Salt River Federal Reclamation Project including that: (1) the exploration, planning and development of such a project would be completed under Reclamation's jurisdiction rather than permitting processes under the Federal Energy Regulatory Commission regulations, (2) Reclamation would lead environmental compliance for the development of such facilities, (3) any such facility would be part of Reclamation's Safety of Dams Program, and (4) other uses on such National Forest System lands that do not conflict with Reclamation purposes could continue.

It is important to note that the legislation does not remove the need for federal and state environmental permitting and public input processes including but not limited to those required under the National Environmental Policy Act, Endangered Species Act, Tribal consultations, National Historic Preservation Act and Bald and Gold Eagle Protection Act.

Summary

Thank you for the opportunity to testify today in support of H.R. 1607. I look forward to answering any questions you may have.

Mr. BENTZ. I thank the witnesses for their testimony, and I will now recognize Members for 5 minutes each for their questions. We will begin with Representative Hageman for 5 minutes.

Ms. HAGEMAN. Thank you, Mr. Chairman, and thank you to the witnesses.

Mr. Brain, I just have a couple of real quick questions for you. You talked an awful lot about climate change in your statement. What have you done in terms of working with the National Forest Service to address the mismanagement of our national forests, the catastrophic forest fires, pine beetle outbreak, and those kinds of things in terms of the impact on our reservoirs in the interior West?

Mr. BRAIN. Congresswoman, thank you so much for the question. We work collaboratively with a number of our sister agencies throughout the Federal Government. I would be happy to get back to you on the specifics of exactly how we collaborate with them.

Ms. HAGEMAN. You don't have those answers today?

Mr. BRAIN. I don't, ma'am, but I can tell you—

Ms. HAGEMAN. OK, but you can talk a lot about climate change, but you can't talk about the impact of the Forest Service that they are having on our reservoirs in the interior West?

Mr. BRAIN. In an effort to accurately answer your question, I would like to get back with you with the specifics of those interactions. But I can tell you that we do share science with them to ensure that they are making decisions based off of the best available science that we have in the Federal Government.

Ms. HAGEMAN. Sure. And I would also like to thank the gentlelady from Colorado for introducing H.R. 3675, which I am proud to co-sponsor. It allows water users to make payments more

quickly and remove the burden of lengthy reporting requirements established by the Reclamation Reform Act. It accelerates Treasury receipts, while ensuring that all actual obligations for repayment are being repaid at present value.

Perhaps most importantly, as Mr. Michael highlighted in his testimony, this legislation will increase certainty for contractors regarding their long-term water supply. And providing this kind of certainty is extremely important to the West.

Mr. Michael, you highlighted in your testimony the need to incentivize construction of additional water storage so that we can catch more water in wet periods, such as what we have seen this winter and this spring. Mr. Michael, how have you already seen the success of the Water Infrastructure Improvements for the Nation, or the WIIN Act, which we intend to permanently reauthorize through this legislation, strengthen Western water storage capacity? How has the WIIN Act impacted that?

Mr. MICHAEL. The WIIN Act has given opportunities for our members to pursue numerous different projects. So, in addition to the contract repayment, which has been very helpful, it has also incentivized, under the WaterSMART Program, many different projects within our member agencies to help accelerate, again, creative solutions to deal with the water supply challenges that we have. So, it is really an ability to put more dollars to work, and more projects on the table.

Ms. HAGEMAN. And you also highlighted in your testimony that it is typical for water users to continue making these payments for 40 to 50 years through a repayment contract or water services contract on top of the operations and maintenance facility payments. How have you seen the process of needing to do this annually stifle the confidence of developers, and ultimately prevent water projects from being developed?

Mr. MICHAEL. It is just another layer of difficulty and just challenge of every year filing numerous papers. And our districts are already challenged with a number of regulatory requirements, and it just adds to the strain already, and speaks to the affordability for our water users to have a huge amount of staff time taken up with the reporting requirements on top of everything else we have to do.

Ms. HAGEMAN. Just more bureaucratic red tape.

Mr. MICHAEL. A lot more work.

Ms. HAGEMAN. OK. So, is it safe to say that the length and complexity of the current process deters water project development?

Mr. MICHAEL. I don't think it helps. I mean, it definitely doesn't help at a time when we certainly need acceleration versus more difficulties.

Ms. HAGEMAN. And you specifically stated that the RRA required extensive reporting and paperwork each year for water delivered to lands in excess of the established limits, but that prepayments opened the door to removing these limitations. I have constituents who have been forced to either pay heavy fees or establish new entities every time a new operation exceeds 960 acres. I have one constituent who called in because he has had to establish five

different entities at the recommendation of the Bureau of Reclamation, by the way, to avoid these fees.

Does this legislation allow irrigators bound by the 960 limitation to no longer be subject to those requirements if they make the pre-payments?

Mr. MICHAEL. Yes, that is correct. And I would say that, in California, especially the regulatory burdens and just the cost in all aspects are forcing scale for a lot of farms. So, if you are operating, it is more efficient to have scale and effective. So, again, it is helpful to have that.

Ms. HAGEMAN. You bet. Thank you, and that is excellent. This is a great piece of legislation. I am deeply appreciative of the gentlelady from Colorado for leading on this.

And I will take you up on that offer. I would sure like to find out the information from the Bureau of Reclamation as to what they are doing to work with the U.S. Forest Service to prevent the kind of catastrophes that we have seen that impact our reservoirs and our ability to store water. I look forward to that information.

Mr. BRAIN. Certainly, Congresswoman. We look forward to it, as well.

Mr. BENTZ. Thank you, Ms. Hageman. The Chair now recognizes Ranking Member Huffman for 5 minutes.

Mr. HUFFMAN. Thank you, Mr. Chairman. And the heavy, burdensome fees that were just being discussed for farms over 960 acres, the translation for folks that don't know some of this arcane lingo, that means you just pay the full cost of the water. You don't get a subsidy. The terms we use are very important sometimes.

Mr. Brain, I want to ask you a little more about H.R. 3675. As I mentioned in my opening remarks, prior language along these lines has been objected to by taxpayer advocates and many others. H.R. 3675 would permanently codify this language. And in testimony before this Committee with a previous version of this language, the Obama administration said, and I quote, "There are concerns with the financial and discounting language in the bill, including the offer of a discounted repayment." And the testimony goes on to cite the "discounting at half the Treasury rate with respect to outstanding contract or repayment obligations."

The legislation before us today would permanently extend that same discounting repayment at one-half the Treasury rate for Federal water contractors, which was only in place for 5 years when this language was, at the last minute, inserted into the WIIN Act. And when the CBO took a look at this in 2014, it found that taxpayers would lose \$530 million in foregone receipts to the Treasury over the period from 2025 to 2050.

So, Deputy Commissioner Brain, I want to just ask if the Bureau has assessed the long-term effects of this legislation with respect to payments to the Treasury, and if, in fact, this would result in significant losses to the Treasury, foregone receipts from Federal water contractors. Is that something that would concern you?

Mr. BRAIN. Thank you so much for the question, Ranking Member Huffman.

We have not assessed the long-term impacts. The reality is that it would result in reduced payments into the reclamation fund, but it would also result in increased payments into the storage account

that was mentioned earlier. So, without knowing which Reclamation partners are specifically interested in utilizing this authority, it is a little difficult to gauge what the potential scope of the problem could be.

Mr. HUFFMAN. If it resulted in significant losses to the Treasury, though, is that something that would be a concern?

Mr. BRAIN. It certainly would be. From our perspective, the reclamation fund really is something we rely on very heavily to respond to drought.

One of our main concerns, however, with the legislation is that the funds that would be meant to be kept for project purposes would be going into the storage account. So, there could be some unintended consequences there, and we would be happy to work with the Committee on technical amendments that would address those concerns.

Mr. HUFFMAN. I appreciate that. I want to ask about the acreage limitation piece.

Concerns have also been raised about allowing water contractors to immediately convert to new contracts that won't require interest charges for all water delivered above that 960-acre threshold, essentially accelerating the delivery of federally subsidized water beyond small farms to large farming operations. That is a significant public policy departure.

And I just want to ask if you could tell us how the Reclamation Reform Act requirements that codified that acreage limitation would change for contractors who converted their water contractors under the terms of this bill.

Mr. BRAIN. Thank you again for the question, Ranking Member Huffman.

A reclamation principle, a long-standing principle, has been beneficiary pays. I believe you mentioned it earlier. Two of the contractual mechanisms whereby the beneficiary does pay for projects is the water service contract and the long-term contracts.

Allowing stake holders, which has been done in the past utilizing this authority, to convert from the first type of contract to a longer-term contract, but also pay it up front, would have impacts. And one of the impacts would mean that they would satisfy their obligations of the contract sooner, meaning that they will have fulfilled their obligations on the Reclamation Reform Act sooner than they would have.

Mr. HUFFMAN. And subsidized water would go to larger farms, right?

Mr. BRAIN. Perhaps.

Mr. HUFFMAN. Thank you.

I yield back.

Mr. BENTZ. Thank you, Ranking Member Huffman. The Chair now recognizes Congressman LaMalfa for 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman.

Chairman Michael, you mentioned that funds received from prepayment or accelerated payment are held in a Treasury account to be used for funding additional water storage projects, correct?

Mr. MICHAEL. Yes.

Mr. LAMALFA. OK. So, California, obviously, needs to accelerate its water storage capacity, its developments, to take advantage of

years like this one. I mean, look how much water we are losing out on right now due to the massive excess that we have been blessed with this year. It seems shameful.

We have pretty much Lake Shasta and Lake Oroville topped off. I think Folsom will top off here. New Melones is doing pretty good. It is a little tougher one to fill, of course. San Luis Reservoir, they managed to get that filled up. But Trinity Lake is lagging way behind. But we are doing pretty good, for the most part.

So, when talking about the repayment and such, from your experience, what group of water users do you believe would want to take advantage of this early repayment option you are talking about? From the people you associate with or, more particularly, to your district.

Mr. MICHAEL. So, more than 90 percent of our districts underneath the umbrella of our agency have taken advantage of the repayment process under the WIIN Act and the contract conversions. So, it is very popular in our area, and was used widely and, again, seems like that should be extended as an opportunity for others. But it varies, I think, by circumstance.

Mr. LAMALFA. You see it as a good value for the taxpayer?

Mr. MICHAEL. I do. Again, there are trade-offs with accelerating payments. But money being directed more readily and quickly, potentially for water storage projects, I think, is very valuable in light of what we are facing in California and throughout the West.

Mr. LAMALFA. Certainly. We have opportunities right now that are close to the top of the books. Actually, in my neighborhood, with a possible raise of Shasta Dam, you need 630,000 acre feet when you fill it, and then Sites Reservoir, which would also impound 1.5 million acre-feet, we would probably have 700,000 or 800,000 right now if it existed. So, certainly, we need to look at all these aspects.

Deputy Commissioner Brain, as you had mentioned, with the enactment of the WIIN Act, storage funding from contract prepayments is currently \$344 million. Is that a correct number?

Mr. BRAIN. It sounds correct, sir, but I would have to get back to you on whether that is the actual—

Mr. LAMALFA. Ballpark is fine, OK.

So, the question I posed to Chairman Michael, do you have an estimate for how much we might expect the Treasury's account for water storage projects to increase with the passage of H.R. 3675?

Mr. BRAIN. No, we don't right now. I would be happy to work with you and your staff on that.

The difficulty is we don't know the extent nor the type of entities that would be interested in utilizing this authority. We have the past experience that we have that was mentioned, the success of utilizing the authority with respect to the 86 users that have already benefited from it. But without knowing more about the specifics of the types of entities that are out there that could use this in the future, we really are unaware of the impacts.

Mr. LAMALFA. How about from existing program authorities? What recommendations would the Bureau be looking at that we could, with existing authority, be able to expand storage projects?

Mr. BRAIN. I am sorry, sir, I don't particularly understand the question.

Mr. LAMALFA. Does the Bureau have recommendations using existing program authorities to increase water storage project funding?

Mr. BRAIN. No, certainly, one of the things we are doing, Congressman, is utilizing the funding provided to us by the Bipartisan Infrastructure Law to increase storage opportunities in the West. We have invested significant resources that were provided to us by the Bipartisan Infrastructure Law, and we stood up a new small storage program to do so, as well.

Mr. LAMALFA. OK. With legislation like the WIIN Act, that was a very bipartisan effort, there are contentions made that important regulations might be pushed aside with a passage of Representative Boebert's bill. Do you agree with that estimation that, indeed, regulations will be pushed aside?

Mr. BRAIN. I would say that we agree that there would be a reduction in the administrative burdens that do currently exist.

Mr. LAMALFA. So, the burdens to your ability to carry out your tasks, your duties would be reduced.

Mr. BRAIN. It would be the burdens on the project partners, like the ones that my colleague detailed earlier.

Mr. LAMALFA. Yes. So, a plus. OK.

I see my time is expired, Mr. Chairman, I yield back.

Mr. BENTZ. Thank you, Mr. LaMalfa. The Chair recognizes Ms. Porter for 5 minutes.

Ms. PORTER. Thank you very much, Mr. Chairman.

About half of the members of this Subcommittee represent residents of the Colorado Basin states. Deputy Commissioner Brain, how does Reclamation's Basin Study Program prevent these fine folks, our constituents, from going thirsty?

Mr. BRAIN. Thank you very much for the question, Congresswoman.

The Basin Study Program really is a unique authority within Reclamation's portfolio. It allows us to bring together multiple types of stakeholders in a particular river basin to really gain intelligence as to what problems are facing their water scarcity issues in the future, and also what tools they may have in their quiver to be able to deal with those in the future.

Ms. PORTER. What are the biggest problems? What are the biggest failures of the Basin Study Program at this time?

Mr. BRAIN. Congresswoman, again, I appreciate the question.

I would say that a reauthorization of the Basin Study Program would allow Reclamation to continue partnering with their stakeholders to ensure that we continue to carry out the work that is already going on.

Ms. PORTER. So, here we have a successful government program that is collaborating with different kinds of stakeholders—private, public—at different levels of government. And the biggest problem it has is that it is not reauthorized.

Deputy Commissioner Brain, without the Basin Study Program, how will it be harder for utilities to provide water?

Mr. BRAIN. Where do we start? The challenges facing our Western partners in Reclamation's mission are immense, and they are exacerbated by climate change. You, yourself, in the state of California have experienced compounding years of drought,

followed by significant atmospheric rivers that came through in the early part of this year.

What the Basin Study program does is allow us to work with our partners, who can be state, they can be local, they can be tribal, they can be water managers, to really come up with a suite of tools that identify the problems and utilize the best available science to address those in the future. And that could even point them toward funding decisions they may make.

Ms. PORTER. Could our constituents go thirsty or have limited water during a drought if we don't manage our water resources as carefully as possible?

Mr. BRAIN. Reclamation's mission, Congresswoman, is to provide water and power to our Western states. And, certainly, climate change and water scarcity is challenging our ability to carry out that mission.

Ms. PORTER. This is a very sort of basic question, but what happens when people go thirsty, are thirsty?

Mr. BRAIN. I would say again the mission of the Bureau of Reclamation is to provide water and power to them. The first of those would be water, because it is primary to the needs of our colleagues out in the West.

Ms. PORTER. I noticed this Committee always very kindly provides water for all of its Members because it is not fun to go thirsty. It is not good for your health. Does any Member of Congress here want their constituents to go thirsty?

Chairman Bentz, I knew you wouldn't raise your hand. When you put this bill up for a legislative hearing, I knew you were serious about stopping Americans from being thirsty, and I need your help with the next step. I would love to have your commitment to marking up this bill and getting it onto the Floor.

I would like to yield to you for a yes or no response.

Mr. BENTZ. That is very kind of you, but I think I will pass until I read your bill more carefully.

Also, I am going to be asking some questions of the Deputy Commissioner regarding the exact value of the program. I did reach out, just for your information, to folks who have used this program in the past. One didn't even remember it, and the other one was modestly supportive. We will continue to look into it.

Ms. PORTER. Well, I appreciate your engagement, Mr. Chairman, and I am looking forward to providing some more information to you about how this program helps folks in California, where we hear a lot of good things about it.

I would like to ask unanimous consent to insert into the record a letter of support that my office received yesterday from the National Water Resources Association for this bill, H.R. 3027. Specifically, they are supporting this bill, as long as I make the change to the 7-year reauthorization, which I already signaled that I would do. May I enter this into the record?

Mr. BENTZ. Without objection.

Ms. PORTER. Thank you.

We have 3 months to extend this program. We have about 3 to 4 weeks left in our June, July, August before we hit that September reauthorization deadline. I really appreciate the

Chairman's interest in this issue, and I look forward to hearing his questions to the Deputy Commissioner.

I yield back.

Mr. BENTZ. Thank you, Ms. Porter. The Chair now recognizes Representative González-Colón for 5 minutes.

Mrs. GONZÁLEZ-COLÓN. Thank you, Mr. Chairman.

Chairman Michael, in your testimony you explained that since the WIIN Act was enacted into law, over 80 entities, including nearly all of the 27 members of the San Luis & Delta-Mendota Water Authority, have pursued repayment of their Federal obligations under section 4011 authority.

My question will be could you discuss some of the reasons that might explain why these entities and other Reclamation contractors pursue accelerated repayment of their capital obligations?

And what benefits do they gain from prepaying their outstanding Federal obligations using the authorities provided under section 4011 of the WIIN Act?

Mr. MICHAEL. As has been highlighted a little bit, one of the common reasons that water users pursue accelerated repayment is to remove the acreage limits and reporting requirements established by the Reclamation Reform Act, or RRA, which are very cumbersome and restrictive.

The efficiencies gained by removing the RRA restrictions and requirements can be significant and lead many contractors to seek paying out their contracts sooner, which is one of the primary reasons. And it also increases some certainty for contractors regarding long-term water supply, and allows entities to pursue title transfer in order to increase financing opportunities and streamline approvals.

So, each entity has a different calculus that they look at as to why, but, essentially, probably those are the top reasons.

Mrs. GONZÁLEZ-COLÓN. Thank you, Mr. Chairman. And how does the Federal Government and the American taxpayers benefit from this authority provided under section 4011, allowing agricultural and municipal water users to prepay outstanding obligations?

And how will permanently authorizing this section, as this bill, H.R. 3675, seeks to do, benefit both Reclamation contractors and the Federal Government?

Mr. MICHAEL. I think the primary is getting the dollars back to the Treasury earlier than would be in the drawn-out process of the long-term repayments.

And then also, as highlighted, that money going into the water storage account is helpful to get badly-needed projects that have time sensitivity based on what we are seeing from the changing climate, and the variability that we are seeing, and the droughts. So, again, we need projects in a more rapid time frame, and this would essentially get those payments upfront into that water storage account faster.

Mrs. GONZÁLEZ-COLÓN. Thank you, Mr. Chairman. I want to thank the witnesses, as well, for coming today.

And with that, Mr. Chairman, I yield back the balance of my time.

Mr. BENTZ. Thank you. The Chair recognizes Congresswoman Napolitano for 5 minutes.

Mrs. NAPOLITANO. Thank you, Mr. Chair.

Mr. Brain, good to see you again, sir. My question is to you, Mr. Brain, in regard to the Basin Study Program, assisting water managers in assessing the risks and impacts of climate change on water resources at the regional level.

Also, can you speak to the importance of collaboration between all Federal agencies and the local water managers plus the Native American tribes in developing effective, long-term management strategies and conservation?

Mr. BRAIN. Thank you, Congresswoman Napolitano, it is good to see you, as well.

You really hit the nail on the head with the benefits of the program. It really has a way of incorporating and bringing together a wider variety of stakeholders that are across the river basin that are really seeking common ground. And they do so by utilizing the best available science and in partnership with Reclamation to identify those problems that they are looking to address.

And, as we mentioned earlier, they could be addressing them sort of operationally, they could be identifying potential funding opportunities that are out there. So, it really is a way of bringing together a diverse group of stakeholders.

And we have carried out 33 basin studies, and would be happy to share with folks in the record some of the benefits of that.

Mrs. NAPOLITANO. I would like to see some of them, if you would, please. I think the Committee would like to see them.

I think that it is just that this current situation in drought in the Western states has called for collaboration. I hope that this collaboration goes beyond this time and that it continues, especially with the EPA. I know that I have been after the Army Corps of Engineers to include into their goals water storage, and I am hoping that goes into one of the agencies that you talk to.

Mr. BRAIN. Congresswoman, thank you again for the question. We are constantly communicating with our colleagues across the Federal Government, and that includes the Corps of Engineers.

As you very well know, Reclamation is a decentralized organization, so the vast majority of our 6,000 employees are spread out through the West, and they live and work in the same communities that our colleagues from the Corps do. So, those conversations and the collaboration happen on a day-to-day basis.

Mrs. NAPOLITANO. Good. I am just wondering how long that is going to take before any Federal agency, not just yours, actually puts the programs to work instead of waiting months and years sometimes before they are implemented.

With that, I yield back, Mr. Chair.

Mr. BENTZ. Thank you. The Chair recognizes Congressman Duarte for 5 minutes.

Mr. DUARTE. Thank you, Mr. Chairman.

Deputy Commissioner Brain, welcome. Thank you for being here today. The Bureau of Reclamation does some important work on water infrastructure throughout the arid West, correct?

Mr. BRAIN. Congressman, we like to think so.

Mr. DUARTE. Yes, I do. I do believe so. And when you build this infrastructure, it has to be paid for over a period of time. It is

bonded, it is financed with hundreds of millions of dollars, if not billions of Federal money.

And would it be true to say that an important part of your valuation for projects would be water rights?

Mr. BRAIN. Yes, sir.

Mr. DUARTE. In California, we have water rights underpinning enormous Federal investments in water infrastructure. And, of course, those water rights and that water availability underpins a \$3.6 trillion annual economy and 42 million people not going thirsty, as was of interest.

Has the Bureau of Reclamation taken an interest in California Legislature's recent efforts to rewrite our water rights, dissolve our current common law water rights system as it is established, and replace it with a complete authority under the State Water Resources Control Board?

Mr. BRAIN. Congressman, thank you very much for the question.

I have colleagues within the Bureau of Reclamation that are aware of and intimately familiar with that. Unfortunately, I came today prepared to discuss the three bills that are before the Subcommittee, and I don't have the accurate information to be able to answer that question.

Mr. DUARTE. OK. I would like you to get back to me on that. I am very concerned that your investments in the water infrastructure—canals, dams—throughout California, the Central Valley project—you know all the assets—are direly threatened by some emerging legislative efforts to dissolve California's well-established water rights system, and to have those water rights allocated each year, potentially, by a newly elected legislature. And in doing that, even threatening to do that, I am very concerned that it makes future infrastructure investment nearly impossible.

And without the security of the water rights, how do we invest in long-term water infrastructure? And I will ask that in the abstract, not the specifics, since I realize, although you are a Deputy Commissioner, you may not have been prepared specifically for the immediate issue.

Mr. BRAIN. Thank you, Congressman. I am certainly happy to follow up with your staff and commit to you to work on an answer for that.

Mr. DUARTE. Mr. Michael, I know you have been around water for a while. Do you have any thoughts on these issues?

Mr. MICHAEL. Well, water rights are, obviously, critical for municipalities and agricultural users, and even our environmental users. So, security of water and deliveries is what underpins our communities and the economy that we have built in California.

Certainly, I can see a path forward to some potential changes to address some of the concerns, but certainly would think a wholesale rewrite of water rights would be extremely problematic, and not beneficial. So, I can see there is a path forward, but certainly, as you pointed out, a lot of investments have been made, and values have been established, and it certainly would be very difficult.

Mr. DUARTE. Thank you. I am hoping the Bureau of Reclamation will take a look at this and assert itself into the potential, as you made the investments on behalf of the American taxpayer to

develop the economy and the environmental priorities of California. Our Ag system, our communities are all reliant upon these water assets. And to reallocate the water rights from them would certainly upset the expectations of the Federal Government and its interests when it funded these water assets.

Mr. BRAIN. Congressman, I look forward to following up with you on that. I truly do.

Mr. DUARTE. Thank you. Another issue, earlier this spring, and many springs, many California farmers are waiting for their water allocations to come down. And, understandably, there is a certain disposition for the Bureau of Reclamation to be cautious about over-committing water in a given year until the snowmelt comes in, and a minimum water allocation can be safely designated. This year, we didn't see water allocations really get finalized until March and April, when we had obvious abundant snowpack and water resources coming into the dams.

Could you please help us understand or assure us that we can give earlier allocation information to our farmers, so they can plan their operations in the future?

Mr. BRAIN. Congressman, thank you for the question. I certainly understand the concern. And as I mentioned before, the vast majority of our Reclamation employees do live and work in communities throughout the American West, so they are intimately familiar with the natures of the work that takes place out there.

So, I do commit to work with you as we move forward on that.

Mr. DUARTE. Thank you, I appreciate it.

I yield back to the Chair.

Mr. BENTZ. Thank you, Mr. Duarte. The Chair now recognizes Congressman Gallego for 5 minutes.

Mr. GALLEGO. Thank you, Chairman Bentz and Ranking Member Huffman. I am glad to be here today to highlight a common-sense, bipartisan bill that will improve Arizona's clean energy storage capacity, improve energy reliability, and fight rising utility costs.

As Arizona continues to grow and become a hub of industry and technology, it is more important than ever to make sure that we are prepared to supply the energy our state needs from reliable, renewable sources. Not only would improving our state's pumped storage hydropower facilities increase our overall energy supply, it would improve grid reliability. This is especially important in the hot summer months, when blackouts would have major impacts on health and demand is at its highest. By allowing SRP to explore construction of additional facilities, H.R. 1607 is an important step in the right direction.

Thank you, Ms. Meyers, for being here today and for the work that SRP does providing reliable, sustainable electricity in our state. I have a couple of questions for you.

As you know, our home state of Arizona is blessed with 300-plus days of sunshine and abundant solar resources. In fact, Arizona ranks as one of the top five states in the country when it comes to solar resources. How will pumped storage increase the amount of clean energy on the grid?

Ms. MEYERS. Thank you very much, Representative Gallego.

Today, as we generate electricity from solar power, we are only capable of using that energy as it is produced. So, having the

ability to store that power really expands our capability to use renewable energy, and expands our resiliency and flexibility.

Mr. GALLEGO. With the proposed addition of new hydro pumped storage, how confident are you and SRP that there are adequate water supplies for this project?

Ms. MEYERS. Thank you for that question.

We actually operate pumped-back storage on the reservoirs on the Salt River Project, and we keep our reservoirs full for that same purpose, our lower three reservoirs. So, knowing that we would draw water from those reservoirs, it works very well within the system that we have today, and we are very confident that we have the water supplies that we need for the pumped-back storage project.

Mr. GALLEGO. And can you tell us how SRP selected the two sites it is exploring adding this pump storage to, and why you are looking at specifically these two sites?

Ms. MEYERS. Yes. Probably the key component of the site selection is that they are adjacent to our existing system. We have access to transmission, and we have existing withdrawn lands for a large portion of that project already. So, it is actually the perfect site to add to the Federal reclamation project.

Mr. GALLEGO. And Ms. Meyers, how much energy would this produce?

Ms. MEYERS. We have the potential to produce about 2,000 megawatts, which is a significant portion of our overall capacity.

Mr. GALLEGO. And how many megawatts does SRP generate in 1 day?

Ms. MEYERS. Our overall capacity is 900 megawatts, I am sorry, 9,000 megawatts.

Mr. GALLEGO. OK. But this is definitely a good additive to that. Well, thank you so much.

And I yield back.

Mr. BENTZ. Thank you, and I thank the witnesses for their valuable testimony, and the Members for their questions.

The members of the Committee may have some additional questions for the witnesses, and we will ask you to respond to these in writing. Under Committee Rule 3, members of the Committee must submit questions to the Subcommittee Clerk by 5 p.m. Eastern Time on Tuesday, June 20. The hearing record will be held open for 10 business days for these responses.

If there is no further business, without objection, the Subcommittee stands adjourned.

[Whereupon, at 2:39 p.m., the Subcommittee was adjourned.]

[ADDITIONAL MATERIALS SUBMITTED FOR THE RECORD]

Submissions for the Record by Rep. Huffman**Statement for the Record****John Buse, Senior Counsel
Center for Biological Diversity****on H.R. 3675**

Chairman Bentz, Ranking Member Huffman, and Members of the Subcommittee: I am a Senior Counsel at the Center for Biological Diversity, which is a non-profit, public interest environmental organization with over 87,000 members. The Center is dedicated to the protection of native species and their habitats through science, policy, and environmental law. I have worked on the Center's behalf on a range of federal and California state water policy and water infrastructure issues, and with that perspective, offer these comments in opposition to H.R. 3675.

H.R. 3675 is a small bill with large consequences. H.R. 3675 would amend section 4013 of the Water Infrastructure Improvements for The Nation Act ("WIIN Act," Public Law 114-322) to make another section of the WIIN Act—section 4011—permanent. Section 4011, which expired in 2021, provides that federal water service contracts may be "converted" to repayment contracts, where the Bureau of Reclamation sets a fixed repayment obligation for contractors.

As the House Natural Resources Committee's June 14, 2023 memorandum states, more than 80 federal water contractors took advantage of section 4011's contract conversion opportunity while that provision was in effect. Most or all of these contractors held short-term water supply contracts for water supplied by California's Central Valley Project ("CVP"). Under the terms of section 4011 of the WIIN Act, these water supply contracts were converted to *permanent* repayment contracts. Reclamation converted the contracts without any compliance with federal environmental laws, including the National Environmental Policy Act ("NEPA") and the Endangered Species Act notwithstanding the manifest environmental consequences of making the contracts permanent for California's San Francisco Bay-Delta system, for other watersheds affected by the CVP, such as the Trinity River Basin, for federally recognized tribes, and for federally protected species. Reclamation has acknowledged that water diversions for operation of the CVP have had serious adverse effects on the human environment, yet it has made these commitments permanent without any consideration of alternatives or conditions that would reduce or avoid these effects.

If H.R. 3675 becomes law, Reclamation will doubtless persist in converting water service contracts to permanent repayment contracts without complying with NEPA and the Endangered Species Act. We have challenged the lawfulness of Reclamation's failure to comply with federal environmental laws in a case now pending in the Eastern District of California.¹ However, even if we prevail in this litigation, H.R. 3675 will perpetuate another grave injustice that has occurred with the conversion of federal water contracts under the WIIN Act.

Under the Central Valley Project Improvement Act, CVP contractors are obligated to pay environmental restoration costs to address the CVP's ongoing damage to the environment and fisheries.² However, in CVP contracts converted under the WIIN Act before section 4011 expired, Reclamation has consistently failed to allocate over \$340 million of these restoration costs to contractors.³ Thus, H.R. 3675 would make permanent a provision that Reclamation has used to shift the burden of funding hundreds of millions of dollars of vitally needed restoration away from wealthy CVP contractors.

For these reasons, the WIIN Act's contract conversion program should not be renewed, and we oppose H.R. 3675.

¹ *Ctr. for Biological Diversity v. U.S. Bureau of Reclamation*, Case No. 1:20-cv-00706-JLT-EPG.

² See Central Valley Improvement Act § 3406, Pub. L. No. 102-575, 106 Stat. 4600, 4706-31 (1992).

³ First Amended Complaint, *Hoopa Valley Tribe v. U.S. Bureau of Reclamation*, E.D. Cal. Case No. 1:20-cv-01814-JLT-EPG (attached) at ¶121.

Hoopa Valley Tribe v. U.S. Bureau of Reclamation
Case 1:20-cv-01814-JLT-EPG

U.S. District Court for the Eastern District of California

Full document is available on our Committee Repository at:
<https://docs.house.gov/meetings/II/II13/20230614/116079/HHRG-118-II13-20230614-SD003.pdf>

Submission for the Record by Reps. Boebert and Porter

**National Water Resources Association
Washington, DC**

June 13, 2023

Hon. Cliff Bentz, Chairman
Hon. Jared Huffman, Ranking Member
House Natural Resources Committee
Subcommittee on Water, Wildlife and Fisheries
1324 Longworth House Office Building
Washington, DC 20515

Dear Chairman Bentz and Ranking Member Huffman:

On behalf of the National Water Resources Association (NWRA), I am writing to express our support for H.R. 3675, the Western Water Accelerated Revenue Repayment Act and a modified H.R. 3027, the Reclamation Climate Change and Water Program Reauthorization Act of 2023. These bills make available resources and tools that can enhance the management of water resources in the Western United States.

NWRA is a nonprofit federation of state water resources associations, regional associations, and agriculture and municipal water agencies. Our members provide water and hydropower to approximately 50 million individuals, families, agricultural producers, and other industries in a manner that supports our communities large and small, our economy and our environment.

H.R. 3675 would amend the Water Infrastructure Improvements for the Nation Act (WIIN) to allow for Section 4011 to once again authorize agriculture and municipal water users to prepay outstanding project costs through a single lump sum payment or over a period of three years. This added tool will assist water systems in managing their operations in the most effective and efficient way possible at a time of rising costs and higher interest rates.

H.R. 3027 would reauthorize the Reclamation Climate Change and Water Program that was used by the Bureau of Reclamation (BOR) to establish the WaterSMART Basin Study Program (Program). The Program uses basin studies, reservoir operations pilots, and studies on changing weather patterns to assist the BOR and its partners enhance water supply management. This program is another tool water systems in the West can utilize to improve operational efficiencies. We recognize that due to House Rules, H.R. 3027 will need to be modified to proceed. We support modifying the bill to provide for a seven-year reauthorization and maintain current FY2023 funding levels.

The immense water resource challenges in the Western United States require a strong partnership and regular collaboration between the water community and federal agencies. We believe H.R. 3675 and H.R. 3027 look to ensure a broad range of resources are available to address the needs of the Western water community.

Sincerely,

DALE NELLOR,
Executive Vice President

