Statement of George Skibine,
Acting Principal Deputy Assistant Secretary
for Indian Affairs
U.S. Department of the Interior
before the
Subcommittee on Water and Power
Committee on Natural Resources
U.S. House of Representatives

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HR 5039

Madam Chairwoman and Members of the Subcommittee, I am George Skibine, Acting Principal Deputy Assistant Secretary for Indian Affairs. I am pleased to provide the views of the Department of the Interior (Department) on H.R. 5039.

H.R. 5039 would amend the Reclamation Wastewater and Groundwater Study and Facilities Act (Public Law 102-575, 43 U.S.C. 390h *et seq.*), commonly called Title XVI, to authorize the Secretary of the Interior to participate in the design, planning, and construction of permanent facilities needed to reclaim, reuse, and treat wastewater in Orange County, California. The project is being implemented by the Orange County Water District (District).

The District completed construction of its Groundwater Replenishment (GWR) System in 2008. These facilities have the capacity to reclaim 70 million gallons of wastewater per day. The recycled water is treated to highly advanced levels, and is then delivered for beneficial use, primarily for recharging the groundwater basin that provides a major portion of the region's potable water supply.

Section 1624 of Public Law 104-266, which was enacted in 1996, amended Title XVI to authorize Reclamation to participate in the design, planning, and construction of Phase 1 of the Orange County Regional Water Reclamation Project, which became known as the GWR System, not to exceed 25 percent of the total cost or $20 million, whichever is less. Beginning in Fiscal Year 2000, Congress included this Orange County project in the annual appropriations. The Fiscal Year 2009 appropriation brought the total to $20 million, and Reclamation's participation was complete.

The GWR System has been successful, and the District is implementing an expansion project that would increase the capacity to 88 million gallons per day. The estimated cost is about $120 million. Reclamation approved the feasibility study for the original project in 2000, but the District has not provided a feasibility study for the expansion that is proposed to be authorized for Federal funding under this bill.

H.R. 5039 would authorize the expansion project under Title XVI for Federal funding not to exceed 25 percent or $26 million, whichever is less. This would be in addition to the $20 million that was provided for the original GWR System.

While the Department supports efforts to increase local water supplies and increase recycled water use, this project would compete for funds with other needs within the Reclamation program, including other Title XVI projects currently under construction. In general, the Department supports the Title XVI Reclamation and Reuse program. The fiscal year (FY) 2011 budget proposal includes funding for the Department's WaterSMART Program, and Title XVI is an important element of that program. Specifically, the FY 2011 budget proposal includes $29 million for the Title XVI program, a 113% increase over the 2010 enacted level.

As part of this total, the Department is requesting $20 million for Title XVI projects to be selected using criteria to identify activities most closely aligned with Title XVI statutory and program goals. In March of this year, Reclamation posted an announcement inviting comment on draft funding criteria for Title XVI projects. After these criteria are finalized with comments received, Reclamation will review and rank Title XVI project proposals received based on those criteria, subject to appropriations in FY 2011.

Separately, last year the Department announced the allocation of approximately $135 million in grants for specific authorized Title XVI projects using funds from the American Recovery and Reinvestment Act, or ARRA. We recognize that water reuse is an essential tool in stretching the limited water supplies in the West, and I believe the FY 2011 Budget request on top of the ARRA funding has demonstrated the emphasis placed on this Program by this Administration. However, given that there are 53 previously authorized Title XVI projects and numerous competing mission priorities and demands on Reclamation's budget, the Department cannot support the authorization of new Title XVI projects or extensions of existing cost ceilings at this time.

Reclamation will, however, continue to work with project proponents to evaluate the completeness of feasibility studies of their projects.

Madam Chairwoman, this concludes my statement. Thank you for the opportunity to comment on H.R. 5039. I would be pleased to answer any questions at this time.