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H.R. 123, H.R. 2498 AND H.R. 2535

LEGISLATIVE HEARING

BEFORE THE

SUBCOMMITTEE ON WATER AND POWER

OF THE

COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

Tuesday, September 25, 2007

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LEGISLATIVE HEARING ON H.R. 123, TO AUTHORIZE APPROPRIATIONS FOR THE SAN GABRIEL BASIN RESTORATION FUND; H.R. 2498, TO PROVIDE FOR A STUDY REGARDING DEVELOPMENT OF A COMPREHENSIVE INTEGRATED REGIONAL WATER MANAGEMENT PLAN THAT WOULD ADDRESS FOUR GENERAL AREAS OF REGIONAL WATER PLANNING IN BOTH THE SAN JOAQUIN RIVER HYDROLOGIC REGION AND THE TULARE LAKE HYDROLOGIC REGION, INCLUSIVE OF KERN, TULARE, KINGS, FRESNO, MADERA, MERCED, STANISLAUS, AND SAN JOAQUIN COUNTIES, CALIFORNIA, AND TO PROVIDE THAT SUCH PLAN BE THE GUIDE WHICH THOSE COUNTIES USE AS A MECHANISM TO ADDRESS AND SOLVE LONG-TERM WATER NEEDS IN A SUSTAINABLE AND EQUITABLE MANNER; AND H.R. 2535, TO DIRECT THE SECRETARY OF THE INTERIOR TO CONDUCT A STUDY ON THE FEASIBILITY AND SUITABILITY OF CONSTRUCTING A STORAGE RESERVOIR, OUTLET WORKS, AND A DELIVERY SYSTEM FOR THE TULE RIVER INDIAN TRIBE OF CALIFORNIA TO PROVIDE A WATER SUPPLY FOR DOMESTIC, MUNICIPAL, INDUSTRIAL, AND AGRICULTURAL PURPOSES, AND FOR OTHER PURPOSES. (TULE RIVER TRIBE WATER DEVELOPMENT ACT)

Tuesday, September 25, 2007
U.S. House of Representatives
Subcommittee on Water and Power
Committee on Natural Resources
Washington, D.C.

The Subcommittee met, pursuant to call, at 10:02 a.m. in Room 1324, Longworth House Office Building. Hon. Grace F. Napolitano [Chairwoman of the Subcommittee] presiding.

Present: Representatives Napolitano, McMorris Rodgers, Costa, and Baca.

Also Present: Representative Nunes.

STATEMENT OF THE HONORABLE GRACE F. NAPOLITANO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mrs. NAPOLITANO. Good morning everyone. The meeting of the Subcommittee on Water and Power will come to order. The purpose of the meeting is to conduct legislative hearings on H.R. 123, a bill to authorize appropriations for the San Gabriel Basin Restoration Fund introduced by our friend and colleague, Congressman David Dreier of San Dimas.

H.R. 2498, legislation that would provide for a study regarding the development of an integrated water management plan in both the San Joaquin River and Tulare Lake Hydrologic Regions introduced by our colleague and member of this Subcommittee, Congressman Jim Costa of Fresno.

And finally, H.R. 2535, the Tule River Tribe Water Development Act, introduced by our colleague, Congressman Devin Nunes of Tulare County.

First, let me begin by welcoming our members and especially friend and Ranking Member of this Subcommittee, Congresswoman Cathy McMorris Rodgers. I welcome our guests to the Subcommittee today. Congressman David Dreier, who has been exceedingly helpful to us in getting some water bills introduced and passed, is here to introduce our witness to H.R. 123 from the witness table. Welcome, sir.

Then we have—he is not here yet—Congressman Devin Nunes, who will be on the dais, and thank you all for being here. I ask unanimous consent that Congressman Nunes be allowed to sit on the dais with the Subcommittee this morning to participate in the Subcommittee proceedings, and he will abide by the same rules that we all have.

I will begin the hearing with a brief statement and recognize members of the Subcommittee for any statement they may have. Any member who desires to be heard will be heard, and of course any additional material may be submitted for the record by members, by witnesses or by any interested party. The record will be kept open for 10 business days following today's hearing.

The five-minute rule with our timer will be enforced, and I don't have to tell you that green means go, the yellow means you have a minute to wrap it up, and the red means stop, or I will stop you.

In today's hearing, we will be considering the three water bills I have mentioned, and in my statement, I will focus specifically on H.R. 123, the San Gabriel Basin Restoration Fund, of which I have always been and will remain a strong supporter.

The San Gabriel Restoration Fund was originally authorized in 2000, and since that time, Congress has appropriated over $68 million to aid state and local officials in cleaning up contaminated groundwater in the San Gabriel Basin and Central Basin in my area of Southern California.

This critical legislation now seeks to authorize additional Federal funds for a number of reasons. They have found new contaminants that were not originally stated and the costs have been incremental, and there are several other reasons for this.

To give you some historical perspective, the San Gabriel Basin has been plagued with contamination for over 30 years, and I have been involved with it for at least 20 of those 30 years first as a councilwoman, then as a state assembly person and now as Member of Congress. And for those many years, I have been frustrated by the cleanup activities plagued by in-fighting between Federal, state, and local over how to address the issues and who was to blame and then bringing those parties, including the PRPs, to the table.

During the time the problem worsened, the plume spread into the Central Basin and additional contaminants began to emerge, and finally, the financial cost to adequately address the problem skyrocketed.

Today, the basin is considered one of the most contaminated areas in the nation. With the authorization of this restoration fund, the Federal assistance provided has been a vehicle for Federal, state and local entities, including many of the PRPs for the contamination to come together to settle their differences. The restoration fund has helped construction of 13 treatment facilities, treated over 84,430 acre feet of groundwater and removed over four tons of contaminants and has been a catalyst in securing over $300 million from legal settlements.

In the basin, the fund has also helped implement the Water Quality Protection Project, which has been successful in preventing the contamination from spreading further south into the Central Basin. Further, the contamination in Central Basin has also been at or below the maximum contaminant level for the last two years.

While great strides have been made in both basins, much remains to be done. That is why H.R. 123 is before us today. I was very alarmed when I learned earlier this year that Central Basin Municipal Water District, the entity responsible for the Water Quality Protection Project, intended to shut the project down after two years.

I have also received letters from the Cities of Pico Rivera, Santa Fe Springs and Whittier that receive water from the project expressing their position that the water still requires further treatment, and I am accepting these letters for the record. I share their concern.

Groundwater contamination and the threat it poses to our water supplies is a top priority for me and the communities I represent, and for that matter Southern California, and the economies in

those areas. California pumps roughly 30 percent of its drinking water from groundwater sources. The plight of the cities in Central Basin makes me wonder if additional funds should be added to H.R. 123 so that the Water Quality Protection Project can continue.

In today's hearing, we will hear from the cities in the Central Basin as to why water treatment should continue and hopefully from the Bureau of Reclamation why they will not support this bill. I look forward to their testimony. However, I also want to make clear that I am a strong supporter of H.R. 123 in its current form and will not support any amendment that will hinder the movement of this bill.

Finally, I look forward to hearing from our witnesses on H.R. 2498 and H.R. 2535. And now I am very pleased to yield to my friend from Spokane, Ranking Member Congresswoman Cathy McMorris Rodgers, for her statement.

[The prepared statement of Chairwoman Napolitano follows:]

Statement of The Honorable Grace F. Napolitano, Chairwoman, Subcommittee on Water and Power

In today's hearing we will be considering three water bills: H.R. 123, H.R. 2498 and H.R. 2535. In my statement today, I will focus on H.R. 123, the San Gabriel Basin Restoration Fund, of which I am a strong supporter.

The San Gabriel Basin Restoration Fund was originally authorized in 2000, and since that time, Congress has appropriated over $68 million to aid state and local officials in cleaning up contaminated groundwater in the San Gabriel Basin and Central Basin in Southern California. This critical legislation now seeks to authorize additional federal funds.

To give you some historical perspective on this issue, the San Gabriel Basin has been plagued with contamination for nearly 30 years now. I have been involved with this issue for 20 years—first as a City Councilwoman, then as a State Assembly Member, and now as a Congresswoman. For many of those years I was frustrated as cleanup activities were plagued by infighting between federal, state and local entities over how to address the issue and who was to blame.

During that time the problem only worsened. The plume spread into Central Basin, additional contaminants began to emerge, and the financial costs to adequately address the problem skyrocketed. Today, the San Gabriel Basin is considered one of the most contaminated areas in the nation.

With the authorization of the San Gabriel Basin Restoration Fund, the federal assistance provided has been a vehicle for federal, state and local entities, including many of the Potentially Responsible Parties for the contamination, to come together to settle their differences.

In the San Gabriel Basin, the Restoration Fund has:

- Helped fund the construction of 13 treatment facilities
- Treated over 84,430 acre feet of groundwater and removed over 4 tons of contaminants, and
- Been a catalyst in securing over $300 million in legal settlements.

In Central Basin, the Restoration Fund helped implement the Water Quality Protection Project, which has been successful in preventing the contamination from spreading further south in Central Basin. Further, contamination in Central Basin has also been at or below the Maximum Contaminant Level for the last two years.

While great strides have been made in both the San Gabriel Basin and Central Basin, much still needs to be done. That is why H.R. 123 is before us today. I was alarmed when I learned earlier this year that the Central Basin Municipal Water District, the entity responsible for the Water Quality Protection Project, intended to shut the Project down. I also received letters from the cities of Pico Rivera, Santa Fe Springs and Whittier that receive water from the Project expressing their position that the water still requires further treatment. I will submit these letters into the hearing record.

I share their concern. Groundwater contamination, and the threat it poses to our water supplies, is a top priority for me and the communities I represent. California pumps roughly 30% of its drinking water from groundwater sources. The plight of

the cities in Central Basin makes me wonder if additional funds should be added to H.R. 123 so that the Water Quality Protection Project can continue.

In today's hearing, we will hear from the cities in Central Basin as to why water treatment should continue. I look forward to their testimony. However, I also want to make it clear that I am a strong supporter of H.R. 123 in its current form, and will not support any amendment that will hinder movement of this bill.

Finally, I also look forward to hearing from our witnesses on H.R. 2498 and H.R. 2535. I am pleased to now yield to my friend from Spokane, Washington, Ranking Member Congresswoman Cathy McMorris Rodgers for any statement she may have.

STATEMENT OF THE HONORABLE CATHY McMORRIS RODGERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mrs. MCMORRIS RODGERS. Thank you, Madam Chairman. I am not sure what it means, but we kind of dressed alike this morning. We are working together.

Today, we hear testimony on three bills aimed at improving water supplies in California. All of our Western states have water problems, but California's water issues are clearly some of the most complicated. As we all know, California has major challenges about how to resolve long-term water supply problems. Recently, the Governor has proposed some bold initiatives, including water storage, to meet the state's growing thirst.

While California ponders how it should meet its needs, the Federal government can offer limited and targeted assistance where there is a clear Federal nexus. The three bills before us have such a nexus or a precedent for Federal involvement.

Although I have some questions, I look forward to working to resolve these matters and with the bill sponsors move these bills through the legislative process. I look forward to hearing from my colleagues and from the witnesses who have traveled across the country to be with us today. Thank you.

Mrs. NAPOLITANO. Thank you, ma'am.

We will proceed to hear from the witnesses, and we have two panels. Certainly we have a few opening statements I believe. Mr. Costa.

Mr. COSTA. Thank you, Madam Chairman. I will withhold my opening statement to hear the witnesses and open on the measure, H.R. 2498.

Ms. NAPOLITANO. Thank you, sir.

Mr. Nunes, would you have an opening statement?

STATEMENT OF THE HONORABLE DEVIN NUNES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. NUNES. Madam Chairman, I will submit one for the record, but I want to thank you for the opportunity to be before your committee.

[The prepared statement of Mr. Nunes follows:]

Statement of The Honorable Devin Nunes, a Representative in Congress from the State of California, on H.R. 2535

Chairwoman Napolitano and Ranking Member McMorris Rodgers;

Madame Chairwoman, thank you for providing me an opportunity to join the panel for the day to participate in a hearing on legislation I introduced which would meet the dire water needs of the Tule River Tribe.

The situation on the reservation could not be grimmer. Currently, the Tribe has six wells and a spring from which to pull water throughout the year. During low-water months, the Tribe must truck water miles from the South Fork Tule River. This has led the Tribe to review its future water needs. They inevitably concluded that they could not meet their water needs without the construction of a reservoir.

Therefore, the Tribe, together with interested parties, has been able to reach an agreement-in-principle on the magnitude of the Tribe's reserved water rights. Indeed, this legislation has resulted in a unique situation in which the community worked together outside of the courts to find a solution to its water needs. This is a significant feat considering the highly caustic nature of water policy in California. Upon Congressional approval, the Settlement will finally establish the federally reserved water rights of the Tule River Tribe.

It is important to move this process forward and authorize the study of a reservoir to store the negotiated water. Again, thank you for holding this hearing and I look forward to working with the members of this committee to address any outstanding issues.

Mrs. NAPOLITANO. You are welcome, sir.

We will proceed then with the panels. The first panel will be on H.R. 123 and the second on H.R. 2498 and H.R. 2535. You will be introduced just before testimony, and once we conclude the testimony, we will go with the question and answer prior to proceeding to the next panel.

All your prepared statements will be entered into the record, and all witnesses will be asked to summarize the high points of your testimony and limit your remarks, please, to five minutes. This goes for all the questioning for my colleagues, and if there are any additional questions that we don't get through in the five minutes, then we probably will go to a second round.

First, we will begin with H.R. 123, a bill to authorize additional funds for the San Gabriel Basin Restoration Fund. First, we have Robert Quint, Acting Deputy Commissioner for Operations for the Bureau of Reclamation; Mr. Michael Whitehead, President of San Gabriel Valley Water Company and Board Member of the San Gabriel Basin Water Quality Authority. This is actually the second time you are appearing with us on the issue of groundwater contamination. You testified at a hearing we held in my district in April, and we welcome you.

Third, Mr. Don Jensen, Director of Public Works for Santa Fe Springs, the city in my district, and last Mr. Jensen, accompanied by Mr. Aguilar, General Manager of the Central Basin Water Municipal District.

I might remind the Bureau that we have repeatedly requested testimony be given to this Subcommittee in time for us to be able to read it and absorb it and be able to formulate questions, and again, they have not been submitted. May I request one more time, sir, that the testimony—and I know OMB may be kind of tied up, but let us see if we can't get it in on time; if not, I want to put it in writing.

Mr. QUINT. I will deliver that message.

Mrs. NAPOLITANO. Thank you, sir.

OK. I would like to first of all recognize my colleague, Mr. David Dreier, for a statement that he may have.

STATEMENT OF THE HONORABLE DAVID DREIER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. DREIER. Thank you very much, Madam Chair. Let me say that I came here to the Congress with Ronald Reagan, and by virtue of that, I am an eternal optimist. I was somewhat saddened when last November I lost my gavel as Chairman of the Rules Committee and we lost our majority, but I am always striving to find a silver cloud within that dark shadow of our having lost our majority and I found it this morning. Your silver head of hair there is a great silver cloud for me to see you as Chair of the Water and Power Subcommittee.

I will say I am here testifying on behalf of your legislation, not my legislation, as I said to you when you came in, and the reason I say that is that H.R. 123 is a demonstration of bipartisanship at its best. We include our colleagues, Gary Miller, Lucille Roybal-Allard, Linda Sanchez, Hilda Solis, and Adam Schiff as co-sponsors of our legislation, and we have done that because of the fact that we all recognize that for the Federal government to step up to the plate and do what Mrs. McMorris Rodgers correctly said is a small part of this with a very important Federal nexus is the right thing to do.

We are talking about $50 million, and about 13.5 percent of the share will be provided by the Federal government to deal with what clearly has been an issue that has a nexus, again, as Mrs. McMorris Rodgers said, to the Federal government.

Why? Because as you referred to the perchlorate hearing that you had in the past, and we have been working together on this for a long period of time, it goes back to the 1950s when legally, in an attempt to win the Cold War, the Federal government had all kinds of defense contractors legally disposing of spent rocket fuel. And what happened? We saw that take place, and again, it was done legally, and it has created very serious problems.

Now the cost of dealing with it, and I know this is a challenge with which we are all trying to contend, it had initially been projected to be about $320 million, and now it is up to a billion dollars. But you very correctly, Madam Chair, have said that we are talking about the lives of literally millions of Southern Californians, and we are also talking about the economy and all of the ramifications of that as we deal with it. So I am hoping very much that we will again see strong support of this.

And I appreciate the fact that Mr. Costa, who I know is very intimately involved in dealing with water issues coming from the Central Valley of California, and my colleague, Mr. Nunes, who has been in and out of the room as we have proceeded with our work, I know you are dealing with their legislation, and I am looking at Mr. Quint's bottle of Deer Park. I wasn't offered one here. But everyone else has water here except for me, and I am not offended by that, but I do know how—thank you very much—I do know how important it is, Madam Chair.

And there is no one who has been harder working at the forefront of dealing with water issues than Mike Whitehead. He is not just involved in California here representing the San Gabriel Basin Water Quality Authority, he has also been very involved as a lead-

er in water issues as it relates to Arizona as well, and we are fortunate to have him. And I again congratulate all of you for the commitment to dealing with what is a very important multigovernment partnership in addressing a serious problem. So I am happy to welcome and introduce Mr. Whitehead.

Madam Chair, I hope you will understand I will follow your legislation very closely as I hear about what we are doing here, but I hope you will excuse me as I go off to another meeting. And I want to thank you for beginning this meeting as punctually as I used to begin the Rules Committee meetings for the last eight years, which is unusual for this institution, so I appreciate that, and I am happy to recognize Mr. Whitehead.

[The prepared statement of Mr. Dreier follows:]

Statement of The Honorable David Dreier, a Representative in Congress from the State of California, on H.R. 123

Madam Chair, It is great to be with you today. You and I have joined together, in a bipartisan way, for many years to deal with the very serious challenge of keeping our groundwater supplies safe for southern Californians. I am very proud to have you as an original cosponsor of this bill, and the support of our friends Gary Miller, Lucille Roybal-Allard, Adam Schiff, Hilda Solis and Linda Sanchez. I am also pleased to be here today to introduce Michael Whitehead, whose name is synonymous with water in the San Gabriel Valley, and so ably serves on the Board of the San Gabriel Basin Water Quality Authority.

But first, let me just state that this bill before you, H.R. 123, is an important continuation of the successful federal-state-local partnership that already exists in providing one of the most basic necessities of life—clean drinking water. The bill extends the current authorization of the San Gabriel Basin Restoration Fund by $50 million. While in the context of the entire federal budget, $50 million is not an overwhelming sum of money, it is still critical to evaluate the need to spend additional federal dollars, however great or small the number.

I am proud to say that this partnership is an example of good stewardship of taxpayer money. Initially in 1999 when we first began the process for creating the Restoration Fund, the total cost of cleaning up the basin was estimated at $320 million. Congress created the Restoration Fund in 2000, with an initial authorization of $85 million, or a 25% investment. To date, a little over $70 million has been appropriated, with approximately 83% of the cleanup provided by local sources and responsible parties, with about 12% federal funding. After recent evaluation of the total project, accounting for increased levels of detected contamination, increased energy costs and inflation, the total cost of cleanup now almost a decade later is approximately $1 billion. With a modest increase of $50 million, bringing the total federal investment to $135 million, or 13.5%, the San Gabriel Water Quality Authority and the U.S. Bureau of Reclamation can continue jointly administering this clean up program. Their outstanding work is why this project is cost effective and such a huge success. In working with the WQA and the U.S. Bureau of Reclamation over the past decade on this regional solution, there is no doubt that this increase is warranted and will be utilized in the most effective way to continue to provide safe drinking water.

Now it is with pleasure I introduce to you, Michael L. Whitehead. Mike serves as President and Chief Operating Officer of San Gabriel Valley Water Company, headquartered in El Monte, California. Mike is also a member of the Board of Directors of the San Gabriel Basin Water Quality Authority, having been first elected by groundwater producers in 2001. He has served as a member of the Main San Gabriel Basin Watermaster and Chino Basin Watermaster boards. Mike joined San Gabriel Valley Water Company in 1979 as Vice President and General Counsel and in 1989 was named president of the company. Since joining the company, he's been actively involved in the management of the company and as General Counsel supervised the company's general corporate legal matters, having devoted particular attention to matters involving water law, environmental protection, eminent domain, and public utility law. Prior to that, he represented Carnation Company in state and federal regulatory proceedings. Mike is also an officer and director of Fontana Union Water Company, a mutual water company, and Arizona Water Company, one of the largest investor-owned water utilities in the state of Arizona. In addition, he is a member of American Water Works Association, a director and past President

of the California Water Association, and is a member of the California Bar Association and its Public Utility Law Section.

Thank you for holding this hearing, Madam Chair, and I look forward to our continued work on water clean up in the San Gabriel Valley.

Mrs. NAPOLITANO. Thank you, sir, very much for you presence and your comments and for your statement about—Mr. Dreier, David, your statement about how it was, and if it hadn't been for you in the leadership beginning the process of the cleanup. You can't take it, can you?

[Laughter.]

Mrs. NAPOLITANO. Thank you. You see, we have been working together on a bipartisan basis for a long time on this issue.

So I will now begin with the testimony from the panel, and I would first like to recognize Mr. Quint, the Acting Deputy Commissioner of Operations, and I would like to ask, where is Mr. Johnson today?

Mr. QUINT. Mr. Johnson is in Portland, Oregon, for part of our effort to look at our organization. We have a Management for Excellence Stakeholders Meeting out there. It has been scheduled for several months, so he apologizes for not being here.

Mrs. NAPOLITANO. Tell him his apology is accepted, but I would like to see his nice shining face in our committee. Thank you.

Mr. QUINT. I will deliver that message too.

Mrs. NAPOLITANO. Thank you.

STATEMENT OF ROBERT QUINT, ACTING DEPUTY COMMISSIONER FOR OPERATIONS, BUREAU OF RECLAMATION, WASHINGTON, D.C.

Mr. QUINT. Madam Chairwoman, members of the Subcommittee, I am Bob Quint, Acting Deputy Commissioner for the Bureau of Reclamation. I am pleased to be here today to provide testimony on H.R. 123.

Now H.R. 123 proposes to increase the cost ceiling authorization for the San Gabriel Restoration Fund by $50 million. The San Gabriel Restoration Fund was established by P.L. 106-554 as part of an effort to clean up large portions of the San Gabriel Basin located in Los Angeles County, California, that were designated as Superfund sites due to contaminated groundwater.

The fund is used to reimburse the San Gabriel Basin Water Quality Authority and the Central Basin Municipal Water District for designing, constructing and 10 years of operating and maintaining groundwater cleanup facilities in the basin.

Due to budgetary concerns, the administration is unable to support this bill at this time. While the San Gabriel Basin Restoration Fund is and will be used for important projects, an additional $50 million in cost ceiling would further compete with Reclamation's other authorized projects, including the needs of aging water infrastructure, water supply and delivery projects such as rural water, Title XVI and environmental restoration projects.

As you know, our budgetary situation plays a large role in all of Reclamation's testimony on legislation before this Subcommittee. To put it in perspective, Reclamation has several billion, with a "b," dollars in current project authorizations that we are trying to fund.

This includes $2.3 billion in rural water projects, $328 million in Title XVI projects and more than $100 million of ecosystem restoration work in California alone.

This concludes my statement. I would be happy to answer any questions.

[The prepared statement of Mr. Quint follows:]

Statement of Robert Quint, Acting Deputy Commissioner, Bureau of Reclamation, U.S. Department of the Interior, on H.R. 123

Madam Chairwoman and Members of the Subcommittee, I am Robert Quint, Acting Deputy Commissioner of the Bureau of Reclamation. I am pleased to be here today to give the Department's views on H.R. 123, a proposal to increase the ceiling on funds authorized to be appropriated to the San Gabriel Basin Restoration Fund. The Administration does not support H.R. 123.

Groundwater contamination was first detected in the San Gabriel Valley in 1979. Following this discovery, the U.S. Environmental Protection Agency designated major portions of the region's groundwater as Superfund sites. Between 1990 and 1997, EPA identified Potentially Responsible Parties at the site who then engaged in negotiations with local water agencies and began initial design work on an EPA-developed basin-wide plan to set cleanup priorities. After reaching a detailed agreement with seven local water agencies in March 2002, design work was completed and construction work began. Construction of the four planned groundwater extraction and treatment facilities was largely completed in 2006.

As part of this effort to clean up the groundwater contamination in the San Gabriel Basin and prevent the contamination from spreading into the adjacent Central Basin, the San Gabriel Basin Restoration Fund (Fund) was established in 2001 by P.L. 106-554. Originally established as a Defense Department account and subsequently transferred to the Interior Department, this interest-bearing account reimburses the San Gabriel Basin Water Quality Authority (WQA) and the Central Basin Municipal Water District (District) for designing and constructing facilities that help with groundwater cleanup efforts in the Basin. The Fund is also authorized to reimburse the WQA and District for operating and maintaining these facilities for up to 10 years. A 35 percent non-Federal share is required for projects. This cost-share can be met by credits given to the WQA for expenditures used for water quality projects that have already been built in the San Gabriel Basin, in lieu of depositing the required 35 percent non-Federal share for these projects into the Fund. To date, the entire non-Federal share has been met by credits that have been certified by Reclamation.

In Fiscal Year 2001, Congress appropriated $23 million for deposit into the Fund. The Energy and Water Appropriations Act for Fiscal Year 2002 (P.L. 107-66), transferred administrative responsibility for the fund from the Secretary of the Army to the Secretary of the Interior, and appropriated an additional $12 million. Appropriations in Fiscal Years 2003-2006 brought the total deposits to the Fund to $68.75 million. In addition, the Fund has accumulated over $ 2.5 million in interest.

Reclamation has executed six grant agreements under the Restoration Fund authority. One grant agreement is with the Central Basin Municipal Water District, covering design, construction, operation, and maintenance of their facility, up to the $10 million ceiling established by the legislation for this component. The other five agreements are with the WQA. Four cover the design and construction of specific facilities, and the fifth agreement covers operation and maintenance of those four facilities.

The total estimated cost of the project authorized by the legislation is about $204 million. Based on this cost estimate, about $69 million would be allocated for the completion of the construction of all five facilities, and about $135 million would be allocated to fund the operation and maintenance of all five facilities for 10 years, as authorized.

The San Gabriel Basin Restoration Fund is and will continue to be used for important local projects. Reclamation must allocate its scarce budget toward funding already authorized projects within the agency's traditional mission of delivering water and power in an environmentally responsible and cost-efficient manner, with emphasis on the needs of aging infrastructure, the safety of existing facilities and dams, and ongoing environmental restoration efforts. The Administration has not budgeted for the San Gabriel Restoration Fund in any of the preceding fiscal years. The Administration believes that resources should be allocated to achieving priorities within Reclamation's traditional mission area and does not support the $50 million cost ceiling increase proposed in H.R. 123. Reclamation, however, will con-

tinue to work with the WQA and the District when possible to advance the goal of groundwater cleanup in the San Gabriel Basin.

Madam Chairwoman, this concludes my testimony. Thank you for the opportunity to comment on H.R. 123. I would be happy to answer any questions at this time.

Mrs. NAPOLITANO. Thank you, sir, for your testimony, and I do have a lot of questions specifically dealing with why the Bureau does not request an increase in budgetary funds to be able to address the issues they have on their table. Thank you so much.

Now I will move on to our second witness, Mr. Michael Whitehead, President, San Gabriel Valley Water Company, et cetera, et cetera. Welcome, sir.

STATEMENT OF MICHAEL WHITEHEAD, PRESIDENT, SAN GABRIEL VALLEY WATER COMPANY, AND BOARD MEMBER OF THE SAN GABRIEL BASIN WATER QUALITY AUTHORITY, WEST COVINA, CALIFORNIA

Mr. WHITEHEAD. Thank you very much, Madam Chairman, and thank you to the members of the committee.

Mrs. NAPOLITANO. Would you mind, sir, Chairwoman?

Mr. WHITEHEAD. Chairwoman.

Mrs. NAPOLITANO. Thank you.

Mr. WHITEHEAD. I am sorry. Madam Chairwoman, yes, indeed. Thank you for that welcome.

It is indeed a privilege to come before your committee today and speak in favor of the passage of H.R. 123. As Congressman Dreier so eloquently put it, it has been a very important contribution to the well-being of the public health and safety of the citizens of the San Gabriel Valley.

I might point out for the committee's information that the San Gabriel Basin groundwater aquifer underlies about 167 square miles of the San Gabriel Valley. It is a very rich and abundant renewable and sustainable source of local water supply for over 1 million people in that part of Los Angeles County. Indeed, it could sustain even larger populations as a groundwater storage facility.

That is the good news. We are blessed with that very abundant renewable resource, the good news. The bad news is, as we have heard earlier today, that that has been contaminated, and unfortunately, that has been the unfortunate legacy of unregulated discharges from defense and other related industries and a legacy of the Cold War era.

With the adoption of the San Gabriel Basin Restoration Fund, we have been able to begin the process of cleaning that basin, but much more work is required, much more work needs to be done. The fact of the matter is, and I think other witnesses will bear me out on this, is that even though we have initiated some very important groundwater cleanup projects to date with the assistance of the restoration fund, much, much more work remains to be done.

And quite frankly, with the impending limitations of imported water from Northern California through the State Water Project and the reallocations and the reductions of water supplies available from the Colorado River, we have no choice but to make sure we rely to the fullest extent possible on local renewable resources like the water in the San Gabriel Basin. But we need help to make sure

that water can be cleaned up and assure to our public that relies on that water that it meets all safe drinking water standards. That is an absolute imperative.

Quite frankly, I am concerned. I am concerned with the confluence of water restrictions, drought which appears to have no end right now and our lack of access to this local supply that we may be facing a clear and present public health and safety crisis. We cannot allow this to happen. It is like watching a train wreck about to happen. We need to take action.

I would like to reiterate my extreme gratitude to you, Madam Chairwoman, and the members of the committee and Members of Congress who have been unwavering in their support for assisting us, helping us to help ourselves to restore this very important water resource. Thank you.

[The prepared statement of Mr. Whitehead follows:]

Statement of Michael L. Whitehead, Director of the San Gabriel Basin Water Quality Authority, on H.R. 123

Good afternoon Madam Chairwoman, Committee members, and staff. My name is Michael Whitehead, and I am a member of the Board of Directors of the San Gabriel Basin Water Quality Authority. Let me first express my appreciation to you Madam Chairwoman, as well as Representatives David Dreier, Hilda Solis, Adam Schiff, Gary Miller, Lucille Roybal-Allard, and Linda Sanchez for your unwavering support and assistance in helping to restore the San Gabriel Groundwater Basin.

The San Gabriel Basin Water Quality Authority was created and authorized by the California State Legislature in 1993 to address the critical need for coordinated groundwater cleanup programs in the San Gabriel Basin after harmful amounts of contaminants were detected in the region's groundwater. The Water Quality Authority is committed to protecting public health and safety by prioritizing, facilitating, and coordinating groundwater cleanup and supply programs with local water suppliers and the U.S. EPA, while minimizing local financial and economic impacts, including impacts on consumers who rely on local groundwater supplies from the San Gabriel Groundwater Basin.

The San Gabriel Basin underlies 167 square miles of the San Gabriel Valley. The San Gabriel Basin holds hundreds of thousands of acre-feet of local, renewable, public drinking water supplies. In fact, the San Gabriel Basin is capable of providing a reliable, local drinking water supply for the more than one million people who reside and work in the San Gabriel Valley—as long as we are able to implement effective groundwater cleanup to remove the contaminants.

In December of 2000, thanks to the leadership of Representative Dreier and the other members of the San Gabriel Valley Congressional Delegation, Congress enacted the San Gabriel Basin Water Quality Initiative in Congress. Representative Dreier and his colleagues moved to establish the Restoration Fund as a means of expediting the remediation of groundwater contamination caused by industrial solvents and rocket fuel contaminants such as perchlorate. The Restoration Fund, which is administered cooperatively by the Water Quality Authority and the Bureau of Reclamation, uses Federal and non-Federal monies contributed to the San Gabriel Restoration Fund to design, construct, and operate facilities to contain and treat the spreading groundwater contamination in the San Gabriel and Central Groundwater Basins.

The Water Quality Authority has benefited tremendously from the Restoration Fund by enabling us to continue the collaborative approach of merging cleanup with water supply and allowing us to leverage Federal dollars and local funding to bring all parties to the table and work in a manner that addresses multiple issues at the same time. The Restoration Fund has provided an incentive for the Responsible Parties in the San Gabriel Basin to participate in the cleanup and to reach funding agreements with affected water suppliers. It has also allowed the Water Quality Authority and the affected water suppliers to fund projects even before Responsible Parties could be identified or when Responsible Parties are no longer viable, cannot be located, or are recalcitrant. Without this Federal funding the likelihood for additional well closures would be great, leaving only the option of turning to costly and already overburdened imported water supplies.

Since the Restoration Fund was made available to the Water Quality Authority, we have received $71.5 million through the Bureau of Reclamation's construction account. The Water Quality Authority has allocated the use of these funds to 32 projects throughout the Basin, 21 of which have been completed, with another 8 currently under construction. To date these efforts have helped to remove over 20 tons of contaminants, and treated nearly 313,000 acre-feet of groundwater.

For example, with the completion of four major groundwater cleanup projects developed and implemented through the Water Quality Authority with the cooperation of local water suppliers, participating Responsible Parties, and the U.S. EPA, we remove perchlorate and other toxic chemicals from groundwater at the rate of 24,000 gallons per minute on a 24/7 year-round basis. These projects will continue to provide safe drinking water to residents and businesses in Baldwin Park, La Puente, West Covina, the City of Industry, and surrounding areas for decades to come without burdening the public with higher water bills. Even so, a great deal more effort and cleanup is still required.

Earlier this year, in recognition of the tremendous success of the Restoration Fund and the need to continue the local cleanup efforts, Congressman David Dreier and his colleagues in the San Gabriel Valley Congressional Delegation introduced H.R. 123. This legislation would increase the authorization ceiling on the Restoration Fund by $50 million from its current level of $85 million. This additional funding would allow us to continue the progress we've made and avoid costly litigation that only serves to slow down the cleanup.

Without future Federal assistance for the treatment facilities, local water suppliers would be forced to shut down water wells due to migrating contamination. The closures would force purveyors to become reliant on imported water, which would come mainly from the Colorado River and the State Water Project. And as you may know, California's water allotment from the Colorado River is being cut back, and deliveries from the State Water Project are seriously restricted. This would severely impair our ability to provide water for the residents and businesses in the San Gabriel Basin. With your help we have the opportunity today to make certain these closures don't occur, while ensuring our water suppliers have a safe, abundant, and sustainable water supply to draw from in the years to come.

Water from wells in the San Gabriel Valley is relatively inexpensive to pump and supply to homes and businesses in comparison to imported supplies from the Colorado River or northern California. The current price for an acre-foot of treated, ready-to-drink Colorado River water in the high-demand summer period is $549, subject, of course, to its availability. The typical cost to pump and treat an acre-foot of local San Gabriel Basin groundwater is $65 to $250 depending on the levels and types of contamination being treated.

It is vital that we continue our efforts to restore the San Gabriel Basin aquifer. Once we are able to remediate the contamination, it is our belief that the local groundwater basin will be able to meet all of the San Gabriel Valley's water needs. Removing harmful contaminants from our communities' groundwater supply will allow local water suppliers to better meet the needs of local residents at affordable rates and make certain that the Basin is able to meet the water supply needs of future generations. The Federal assistance provided by the Restoration Fund allows us to carry out our mission of facilitating groundwater cleanup and providing a clean, reliable, drinking water supply for the over one million residents of the San Gabriel Basin.

Thank you for allowing me to testify on the successes and on-going progress of the cleanup of the San Gabriel Basin today and the importance of H.R. 123 to our future. I would be happy to answer any questions to that you may have.

Mrs. NAPOLITANO. Thank you, Mr. Whitehead, and that was very well done, sir, within time.

I do like to again stress the importance of what this project means to the whole Southern California area and the facts, as you have well stated, of our decrease of take from the Colorado, the pending judge's decision on the Bay Delta, together with the drought, you are right, we have no choice. Thank you, sir.

I will move on to our next witness, Mr. Donald Jensen, Director of Public Works from Santa Fe Springs. Your first time, sir. Welcome.

STATEMENT OF DONALD JENSEN, DIRECTOR OF PUBLIC WORKS, SANTA FE SPRINGS, CALIFORNIA; ACCOMPANIED BY ART AGUILAR, GENERAL MANAGER OF THE CENTRAL BASIN MUNICIPAL WATER DISTRICT, AND AL CABLAY, DEPUTY DIRECTOR, PICO RIVERA, CALIFORNIA

Mr. JENSEN. Good morning, Chairwoman Napolitano. It is good to see you again, Ranking Member McMorris Rodgers and other members of the Subcommittee. I very much appreciate the opportunity to appear today before you on behalf of the residents of Santa Fe Springs, Pico Rivera and Whittier and also the 2 million residents that live within the Central Basin Municipal Water District service area. We very much appreciate the committee being a strong advocate for clean and safe water for the residents of the San Gabriel Valley.

I would like to recognize Mr. Art Aguilar, who is the General Manager of the Central Basin Municipal Water District, and Mr. Al Cablay, who is the Deputy Director of Pico Rivera, who have joined me today.

For nearly 30 years, the Federal government and local agencies have worked together to address a plume of contaminated water moving out of the upper San Gabriel region. The goal of Central Basin and its cities continues to be to clean up and contain the compounds that are part of this contamination.

We very much appreciate the efforts of your Subcommittee in helping us achieve the first step, which was to get $10 million in appropriations back out of the 106th Congress. Six point five million of that money went toward the construction of the WQPP, with the balance going toward operation expenses. But our mission is not over, and we respectfully request that you consider including additional funding in the amount of $11.2 million so that we may keep the WQPP operating. We believe the additional funds would fulfill the recommendations made in the EPA 2001 design report.

As you know, contamination in this area was first found in 1979. EPA followed up with a lot of field work, and in 2001, a remedial facility was built in the Whittier Narrows area. The purpose of the facility was to clean up contamination from the Whittier Narrows area and to prevent contaminated groundwater from moving into the Central Basin area.

However, even before the construction of the Whittier Narrows plant began, groundwater data showed that PCEs and TCEs exceeded the maximum contaminant level in wells south of the Whittier Narrows Dam. Additionally, the contaminated water had migrated past the site of the Whittier Narrows extraction wells.

The San Gabriel and Rio Hondo spreading grounds are south of the Whittier Narrows. These spreading grounds are operated by Los Angeles County and utilize stormwater, imported water and recycled water to replenish the groundwater supply. It is for that very purpose that Central Basin and the cities continue to be concerned that the contamination may have a dire impact on the water quality for our area.

The WQPP was constructed to monitor and intercept and treat contaminated water. We are pleased to say that over the past two years, contamination levels have been below the maximum contaminant level. However, as the plume still exists north of our

area, we continue to be concerned about its proximity and its potential for harming the Central Basin area and the cities that we are in.

In 2001, the three cities entered into an agreement with Central Basin regarding the purchase of treated water from the facility. We have made a commitment to take a quantity of water on an annual basis that represents almost a $900,000 commitment by the cities.

In May of 2007, after almost three years of operating the WQPP, Central Basin announced that it was considering taking the WQPP out of service. They cited two reasons for stoppage and production. First, the levels of volatile organic compounds that were originally cited to be a concern had not exceeded maximum allowable levels, and second, operating costs were found to be higher than expected.

Central Basin met with the three cities. We agreed to form a partnership and try to keep the facility running. Given the financial, the substantial financial investment in the Whittier Narrows project and the WQPP, if the WQPP facility is shut down and maximum contaminant levels are exceeded in the future in the area south of the Whittier Narrows Dam, it would leave our cities, which are essentially on the front line of this battle, without a defense and pose a serious threat to the water quality in the entire Central Basin area.

Therefore, on behalf of the cities of Santa Fe Springs, Pico Rivera and Whittier, we respectfully ask that the Subcommittee include $11.2 million in additional funding in H.R. 123 for continued operation of the WQPP. The cities believe this funding is critical to the continued protection of water quality for the 2 million people in the Central Basin area. That concludes my statement, Madam Chair.

[The prepared statement of Mr. Jensen follows:]

Statement of Donald K. Jensen, Director of Public Works, City of Santa Fe Springs, California, on H.R. 123

Thank you Madam Chair for that very kind introduction.

Chairwoman Napolitano, Ranking Member McMorris-Rodgers, and other members of the subcommittee, I appreciate the opportunity to appear today on behalf of the 165, 000 residents of Santa Fe Springs, Pico Rivera and Whittier and the additional 2,000,000 residents served by the Central Basin Municipal Water District (appendix A).

Thank you for being such strong advocates and fighting for clean and safe water for the residents of the San Gabriel Valley. I would also like to recognize Art Aguilar, General Manager of Central Basin Municipal Water District and Al Cablay, Deputy Director of Public Works for the City of Pico Rivera.

For nearly 30 years, the federal government and local water agencies have been working to address an underground plume of contaminated water that has been slowly moving southeast from the Upper San Gabriel Valley region, which is a Superfund site (appendix B). The contamination resulted from the release into the soil of volatile organic compounds such as chemicals used for degreasing, dry cleaning and metal cleaning.

The goal of Central Basin and the cities it represents, including Santa Fe Springs, Pico Rivera and Whittier continues to be clean up and containment of the compounds. We very much appreciated your efforts during the 106th Congress when we initially received authorization to fund containment efforts in the San Gabriel Basin and Central Basin. That legislation initially provided $10 million to fund the Central Basin Water Quality Protection Project (WQPP), I have attached for your review a brief summary of how that money was spent over the past six years (appendix C) but approximately $6.5 million went toward construction with the remainder of the money going toward operations. That funding was critical to protecting over 2 million people from the potential contamination migrating south from the upper San Gabriel Valley region. But our mission is not over and we respectfully request you consider including us for additional funding of $11.2 million as this sub-

committee considers H.R. 123. Our proposed use of these additional funds is detailed in appendix D and would fulfill the recommendation made by the EPA in their 2001 design report.

According to the United States Environmental Protection Agency (USEPA), the initial discovery of contamination occurred in 1979. EPA began investigating groundwater in the Whittier Narrows area of the San Gabriel Superfund sites in the late 1980s. A remedial investigation was completed in 1992, and from 1997 to 1998, increasing levels of volatile organic compounds led to additional fieldwork by EPA.

Design of a remedial facility in the Whittier Narrows area was completed by USEPA in 2001 and construction of extraction wells, conveyance pipelines, and a treatment plant began in 2001 and was completed in May 2002. The purpose of the treatment facility was to clean up contamination in the Whittier Narrows and to prevent contaminated groundwater from moving into the Central Basin.

However, even before construction of the Whittier Narrows plant began, groundwater monitoring data showed that the level of PCEs (tetrachloroethylene) exceeded the maximum contaminant levels in wells south of the Whittier Narrows Dam. Also, the underground plume of contaminated water had already migrated past the site of the Whittier Narrows extraction wells. Moreover, the Whittier Narrows treatment plant did not become fully operational until December 2005.

The San Gabriel and Rio Hondo Coastal Spreading Grounds are located south of the Whittier Narrows Dam and are adjacent to the cities of Pico Rivera, Whittier, and Santa Fe Springs. These spreading grounds, operated by Los Angeles County, utilize storm water, imported water and recycled water to replenish the groundwater supply in the Central Basin. Thus, we have been concerned for many years that the source of drinking water for these cities as well as the entire Central Basin service area could be contaminated by the underground plume of contaminated water migrating south from the Whittier Narrows area.

In response to concerns over the contamination, the Southeast Water Coalition (SEWC), a joint powers authority was formed, in part, by local cities and the Water Replenishment District (WRD) to advocate for the protection of the regional water supply. The Cities of Pico Rivera, Whittier and Santa Fe Springs are still members of SEWC. SEWC was then, and is now, very concerned about the migration of the underground plume into the Central Basin and the Montebello Forebay service areas.

SEWC approached Central Basin Municipal Water District (CBMWD) in 2001 and requested the District's assistance regarding the issue. Subsequently, the $10 million appropriation we received through the Bureau of Reclamation for the WQPP meant that local cities and consumers were not penalized for the contamination by being required to pay for the WQPP.

The WQPP was constructed to monitor and intercept water entering the Central Basin from Upper San Gabriel Valley region. Central Basin designed and constructed two extraction wells, a treatment facility, and distribution lines, all located in the City of Pico Rivera. We work closely with our contract operator and test lab firm to conduct monthly testing and we are pleased that over the past two years contamination we are seeing is below the maximum contaminant level. However, the plume is north of the WQPP which puts us in a position to safeguard the water quality if for any reason the Whittier Narrows remediation facility becomes inoperable for any reason. I have attached for your reference data with containment reads from 2004 to March of this year (appendix E). Notwithstanding what we have seen over the last two years, the unpredictability and location of the contaminant plume continues to be a matter of great concern to the Cities of Santa Fe Springs, Pico Rivera and Whittier. As our three cities are located at the northern edge of the Central Basin service area, we are literally on the front line in this battle.

In 2001 the three cities entered into agreements with Central Basin regarding purchase of the treated water from the WQPP project. Under the agreement, the Cities agreed to convey a certain amount of their water rights to the Central Basin, which pumps the conveyed rights from the extraction wells and treats the pumped water. Collectively, the three cities have made a commitment to take up to 4600 acre feet of water annually from the WQPP. This represents a financial commitment of approximately $870,000 by the cities.

In October 2004, Central Basin received its domestic drinking water permit and the facility went into operation in and began to distribute in December 2004 the treated water to the cities of Pico Rivera, Santa Fe Springs and Whittier.

In May 2007, after nearly three years of operating the WQPP, Central Basin announced that it was considering taking the WQPP out of service. Central Basin cited two reasons for the stoppage in production: the levels of volatile organic compounds that were originally cited to be a concern had not exceeded allowable levels for the

last two years; and, operating costs were much higher than expected. Central Basin met with the three impacted cities and it was evident they were concerned about the potential threat to groundwater in the Central Basin. In order to keep the facility in service, the cities and Central Basin agreed to work together regarding formation of a joint powers authority (JPA).

Groundwater monitoring data from the WQPP shows that allowable levels of volatile organic compounds have not been exceeded during the last two years; however, the cities and Central Basin believe the prudent course would be to continue operating the WQPP due to the potential harm to Central Basin and the Montebello Forebay from the underground plume of contaminated water. The original 2001 design report for the WQPP recommended continuous pumping would be required for up to 7 years assuming that EPA begins operation of the containment extraction wells in the Whittier Narrows within 2 years. However, the Whittier Narrows treatment facility did not become fully operational in 2003 as anticipated; as stated previously, that occurred in December 2005, after the WQPP became operational. As a result of this delay, the continuous pumping recommendation made by the EPA would carry our operation into 2014, which is why we are requesting additional funding by amending H.R. 123 to include us.

Again, given the substantial federal investment in both Whittier Narrows and WQPP, if the WQPP facility is shut down, and maximum contamination levels are exceeded in the future in the area south of Whittier Narrows Dam, it would leave the cities with no recourse and would threaten water quality in the Central Basin.

Therefore, on behalf of the cities of Santa Fe Springs, Pico Rivera and Whittier, we strongly urge the subcommittee to include $11.2 in additional funding in H.R. 123 for continued operation of the WQPP. The cities and Central Basin believe this funding is critical to the continued protection of water quality for the more than 2 million people living in and around the impacted cities.

CENTRAL BASIN MUNICIPAL WATER DISTRICT
(Based on Annual Water Production of 5,000 Acre-Feet)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Notes
	FY 07-08 Budget	FY 08-09 Budget	FY 09-10 Budget	FY 10-11 Budget	FY 11-12 Budget	FY 12-13 Budget	FY 13-14 Budget	
Labor and Overhead	$ 64,281	$ 86,259	$ 94,884	$ 104,373	$ 114,810	$ 126,291	$ 138,921	
Operating Costs								
Normal Operating Costs	1,163,800	1,107,390	1,183,275	1,265,130	1,353,472	1,440,356	1,542,990	
One-time Costs:								
Hydrogeologic Study		125,000				150,000		A
Carbon Change-out	175,000			232,925				B
Purchase of Carbon Vessel		300,000						C
Demolition Costs							422,130	D
GRAND TOTAL	**$ 1,403,081**	**$ 1,618,649**	**$ 1,278,159**	**$ 1,602,428**	**$ 1,468,282**	**$ 1,716,647**	**$ 2,104,041**	

Notes:

A) The hydrogeologic study will assess the status and effectiveness of WQPP by information gathering and modeling.

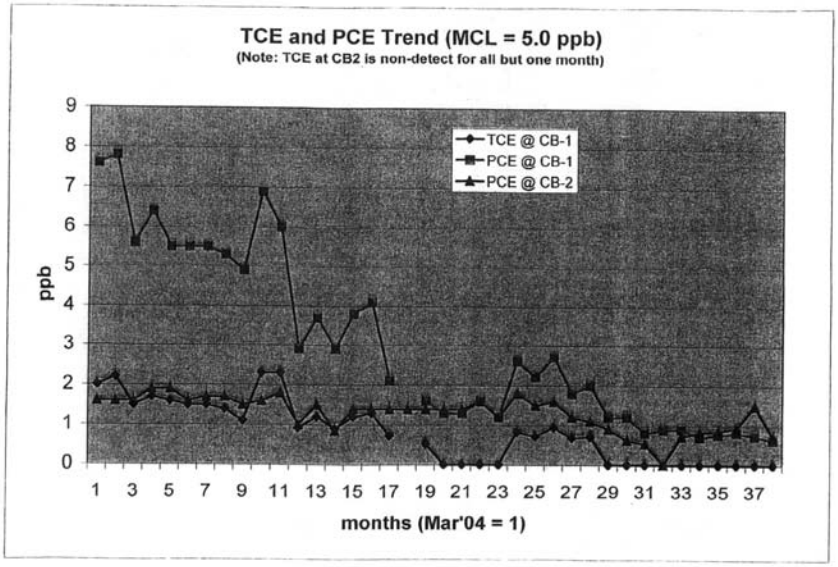
B) Carbon change-out is currently estimated to cost $175,000 and to occur every 4 years.

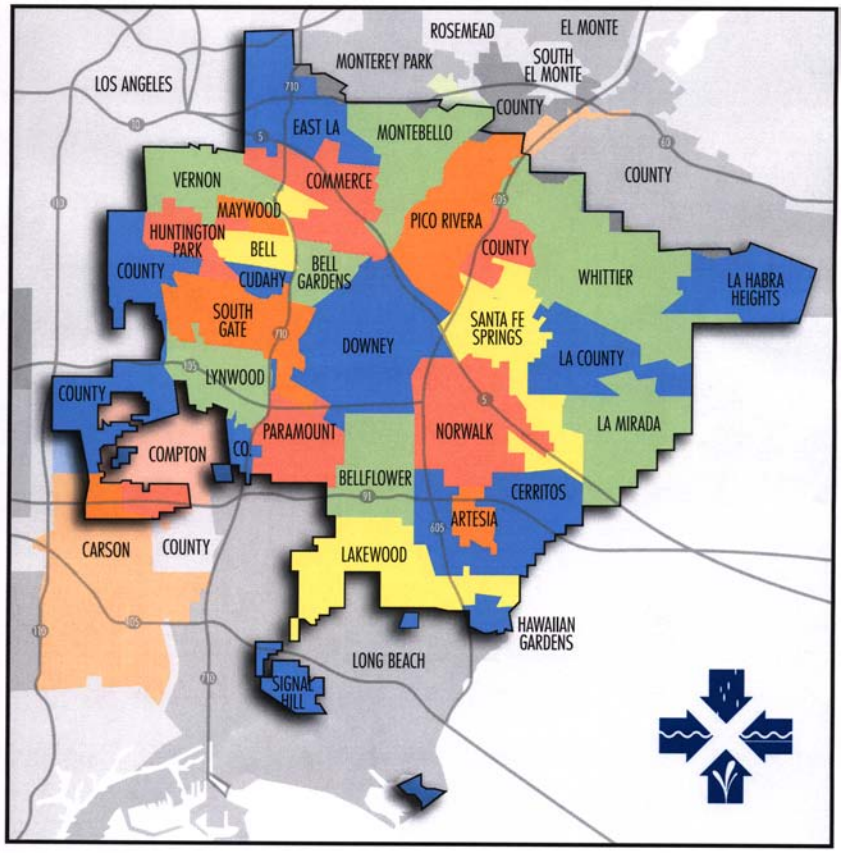
C) Central Basin is currently leasing the carbon vessels at $150K per year. The contract provides for a purchase option at $300K. The purchase option would be financially advantageous should WQPP be operated for over two years. This budget assumes that the purchase will occur at the beginning of fiscal year 2008-2009.

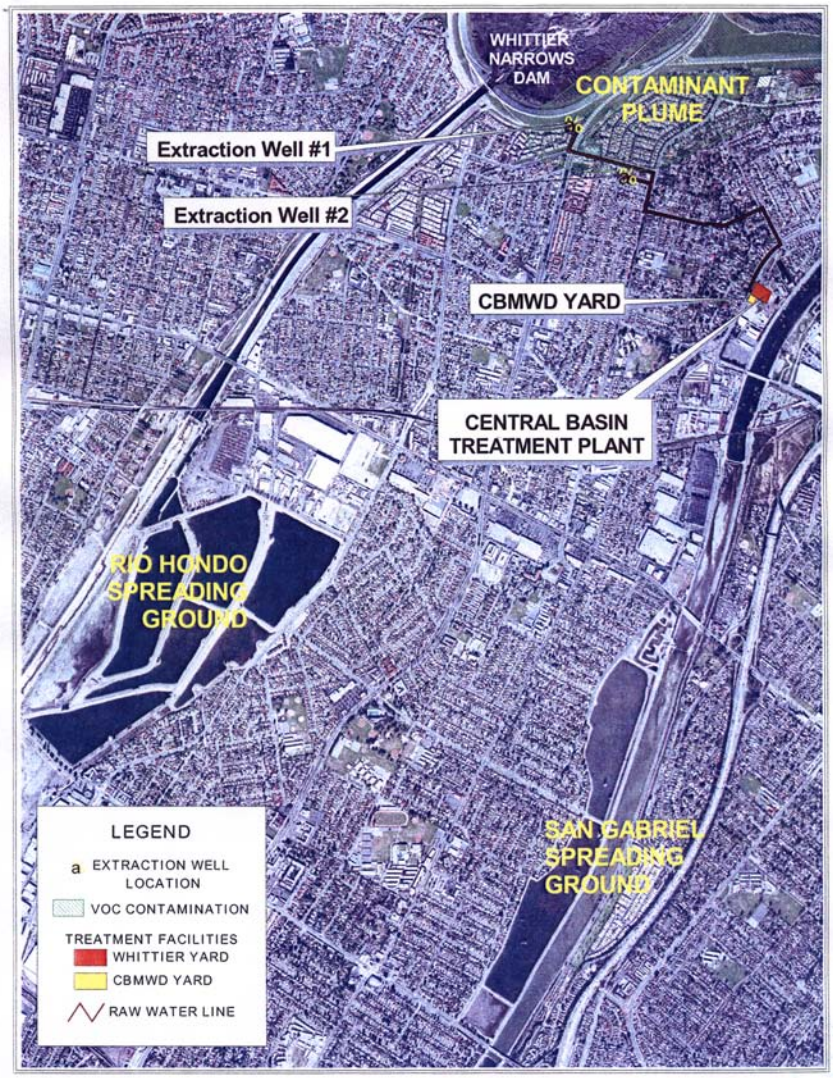
D) Demolition includes destroying the well, cut and capping the pipelines, and removing and disposing of the treatment plant. Costs are currently estimated at $300,000 and expected to increase by 5% annually.

WQPP Water Quality

	Well No. 1 (Rosemead/Gallatin)					Well No. 2 (Durfee/Gallatin)				
	TCE (ppb)	PCE (ppb)	NDMA (ppb)	1,4Dioxane (ppb)	Perchlorate (ppb)	TCE (ppb)	PCE (ppb)	NDMA (ppb)	1,4Dioxane (ppb)	Perchlorate (ppb)
MCL/AL --->	5	5	0.01	3	4	5	5	0.01	3	4
Date										
Mar-04	2.0	7.6				ND	1.6			
Apr-04	2.2	7.8				ND	1.6			
May-04	1.5	5.6				ND	1.6			
Jun-04	1.7	6.4				0.52	1.9			
Jul-04	1.6	5.5				ND	1.9			
Aug-04	1.5	5.5				ND	1.6			
Sep-04	1.5	5.5				ND	1.7			
Oct-04	1.4	5.3				ND	1.7			
Nov-04	1.1	4.9				ND	1.5			
Dec-04	2.3	6.9	0.0140	0.73	ND	ND	1.6	0.0037	ND	ND
Jan-05	2.3	6				0.5	1.8			
Feb-05	0.92	2.9	0.0036	ND	ND	ND	1	0.003	0.51	ND
Mar-05	1.2	3.7				ND	1.5			
Apr-05	0.9	2.9				ND	0.84			
May-05	1.2	3.8	0.0067			ND	1.4	0.0033	ND	
Jun-05	1.3	4.1				ND	1.4			
Jul-05	0.72	2.1				ND	1.4			
Aug-05	repair	repair	repair	repair	repair	ND	1.4	0.0029	ND	
Sep-05	0.52	1.6				ND	1.4			
Oct-05	ND	1.3				ND	1.4			
Nov-05	ND	1.3	0.0029			ND	1.4	0.0036		
Dec-05	ND	1.6				ND	1.6			
Jan-06	ND	1.2				ND	1.2			
Feb-06	0.83	2.6	re-do			ND	1.5	re-do		
Mar-06	0.72	2.2	0.0076			ND	1.5	0.0041		
Apr-06	0.94	2.7				ND	1.6			
May-06	0.68	1.8	0.0051			ND	1.2	0.0034		
Jun-06	0.71	2.0				ND	1.1			
Jul-06	ND	1.2				ND	0.9			
Aug-06	ND	1.2	0.0030	0.94	ND	ND	0.62	ND	0.54	ND
Sep-06	ND	0.8				ND	0.53			
Oct-06	ND	0.88				ND	ND			
Nov-06	ND	0.90	0.0035	ND		ND	0.72	0.0022	ND	
Dec-06	ND	0.70				ND	0.83			
Jan-07	ND	0.76				ND	0.87			
Feb-07	ND	0.82	re-do			ND	0.93	re-do		
Mar-07	ND	0.74	0.0033			ND	1.5	0.0020		




ROSEMEAD
EL MONTE
MONTEREY PARK
SOUTH EL MONTE
LOS ANGELES
COUNTY
EAST LA
MONTEBELLO
COUNTY
VERNON
COMMERCE
MAYWOOD
PICO RIVERA
HUNTINGTON PARK
BELL
COUNTY
COUNTY
BELL GARDENS
CUDAHY
WHITTIER
LA HABRA HEIGHTS
SOUTH GATE
SANTA FE SPRINGS
DOWNEY
LA COUNTY
LYNWOOD
COUNTY
PARAMOUNT
NORWALK
LA MIRADA
COMPTON
CO
BELLFLOWER
CERRITOS
ARTESIA
CARSON
COUNTY
LAKEWOOD
HAWAIIAN GARDENS
LONG BEACH
SIGNAL HILL


WHITTIER NARROWS DAM
CONTAMINANT PLUME
Extraction Well #1
Extraction Well #2
CBMWD YARD
CENTRAL BASIN TREATMENT PLANT
RIO HONDO SPREADING GROUND
SAN GABRIEL SPREADING GROUND
LEGEND
a EXTRACTION WELL LOCATION
VOC CONTAMINATION
TREATMENT FACILITIES
WHITTIER YARD
CBMWD YARD
RAW WATER LINE

CENTRAL BASIN MUNICIPAL WATER DISTRICT
WATER QUALITY PROTECTION PLAN
AS OF JUNE 30, 2007

Appropriations			$ 10,000,000
Used For:			
Construction:			
Land and Easements		$ 89,678	
Wells 1 & 2		6,546,919	
Flouridation System		90,027	6,726,624
Operations:	Water Produced	Costs	
Prior Fiscal Years	-	$ 233,263	
Fiscal Year 2004 - 2005	1,418 Acre-Feet	665,651	
Fiscal Year 2005 - 2006	4,586 Acre-Feet	982,044	
Fiscal Year 2006 - 2007	4,244 Acre-Feet	1,025,798	2,906,756
Estimated remaining funds at June 30, 2007			$ 366,620

1 acre-foot 326,000 gallons of water

Mrs. NAPOLITANO. Thank you, Mr. Jensen.

Mr. Aguilar, do you have any statements for the record?

Mr. AGUILAR. No. I am available to answer questions of the committee and to support Mr. Jensen, and we do believe that the WQPP is strongly needed, still needed within the community, and are glad to be working with the cities on continuation of this project.

Mrs. NAPOLITANO. Thank you. And for those that might not know, there is a rendering on our right, your left, in regard to the wells and where the spreading grounds are and how it has already managed to penetrate the spreading grounds.

Some 15 years ago, I got involved in this issue, and we knew that it was coming, and for whatever reason, as I explained before, it didn't get addressed in time to keep it from going past the spreading grounds and has been a problem for our communities.

What you really haven't addressed is that the spreading grounds then flow to many cities below that will affect their drinking water supply if that were to continue to effectively pollute the aquifers that feed the wells that the cities use south of my area. So it is really a key issue for not only our area but those below us in the many cities and the millions of people that live below us too.

So with that, let me move forward to questions. Cathy?

Mrs. MCMORRIS RODGERS. Thank you, Madam Chairman. Question for Mr. Whitehead. I understand that the bill is increasing the Federal authorization for another $50 million. The question is, how much does this represent in comparison to what the state and local entities and other companies are paying into the cleanup?

Mr. WHITEHEAD. That is a very good and timely question. The first part of your question is what portion of the total cost is being borne by the State of California. Unfortunately, we have been far less successful in obtaining financial commitment from the State of California. I can assure you it is not for lack of effort. A great deal

of effort has been extended. We think that progress is right now being made in the California Legislature's Special Session on Water Issues. I have reason to believe that a great deal of attention is being focused on groundwater contamination not only in the San Gabriel Valley but elsewhere in the state, including the inland and Fontana/Rialto area.

I am cautiously optimistic that the state will take up more of the responsibility for this, and I can assure you that we are devoting an extraordinary amount of time and resources to help make that happen.

The other part of your question, I am very pleased to report that we have been uniquely successful in drawing funds from the responsible parties, and I might add that we have achieved that success with a minimum amount of costly, time-consuming litigation. Part of that success I think is in large measure the product of the Water Quality Authority's ability to marshal numerous resources and numerous constituencies.

Certainly the restoration fund is an enormous incentive for the polluters to step forward and put their money up. After all, as Mr. Dreier pointed out, the Federal portion has to be matched by non-Federal sources in order to qualify for the restoration funding, and we have achieved literally hundreds of millions of dollars in commitments and actual payments from the responsible parties to back up the funding from the restoration fund and to provide the non-Federal source.

Also, the authority itself has been able to raise funds and to apply that to the planning and development, construction and even operation of water treatment facilities, taking early action when polluters couldn't be found to assure that large quantities of contaminants are removed from the groundwater to either prevent or minimize the migration of those contaminants, as we have heard, across the Whittier Narrows.

Mrs. MCMORRIS RODGERS. What is your current estimation as to when the cleanup will be completed for purposes of Federal funding?

Mr. WHITEHEAD. The unfortunate aspect of the San Gabriel Valley, as I mentioned in my remarks, is that it covers 167 square miles. It is a big place. If you add onto that portions of the Central Basin, it goes up exponentially.

The EPA declared the area a Superfund cleanup site and divided it into five or six, maybe seven, subareas called operable units. That is a lot of jargon to mean that the EPA attacks the contamination in the various parts because it doesn't all come from the same source. It comes from multiple sources in that area. So it is very important that we continue to plan.

I might add that the water authority's role in large part has been planning and developing remedial solutions. I wish I could give you a definite and certain answer. My guess is it won't be sooner than 10 years.

Mrs. MCMORRIS RODGERS. OK. Very good. Thank you.

Mrs. NAPOLITANO. Mr. Costa.

Mr. COSTA. Thank you, Madam Chairwoman.

I am familiar with the challenge that the San Gabriel faces, and you have for many years been a tremendous advocate and spoken

with great passion as to the desire to address the challenges of this groundwater resource, and I certainly am supportive of your efforts and frankly feel that this groundwater basin, like others in California and other parts of the country, need to be addressed and certainly want to provide full support in your efforts.

So my questions have really been answered as we have done our due diligence on this in years past, and I just want to commend you again for doing your very best to focus in an area that truly needs to be responded to. And anything we can do to be of help, we are one state and we need to address these issues. So I thank you for your good work.

Mrs. NAPOLITANO. Thank you, sir.

Mr. COSTA. I have no questions.

Mrs. NAPOLITANO. Thank you for your comments. Appreciate it.

Mr. Baca.

Mr. BACA. Thank you, Madam Chair.

The question is for Mr. Whitehead. Given the success of the San Gabriel Basin Water Quality Authority, you know about the perchlorate problems in Fontana and in my district, how will H.R. 123 help the surrounding areas?

Mr. WHITEHEAD. I think that even though H.R. 123 as written is intended to increase the authorization for the San Gabriel Valley Restoration Fund, I continue to believe, Mr. Baca, that it serves as a very compelling model. Both the funding arrangements and the Water Quality Authority structure itself represent a very compelling model for addressing regional groundwater contamination problems and the need for regional remedial solutions to be done in a unified and focused fashion as opposed to numerous entities, water companies, water districts, cities, what have you, essentially trying to do it all on their own.

The success that we have achieved, to the extent that we have had success in the San Gabriel Valley, has been the result of a unified effort. I would strongly urge and I would strongly participate in an effort to do likewise in your district and the surrounding area that has been confronted with this awful problem of perchlorate and other contamination in your water supplies.

Mr. BACA. Currently we have about 31 to 32 or maybe 33 contaminated wells in the surrounding areas, specifically in the Rialto area, and so it does present a problem, and you said at the very beginning we will have a health and safety crisis if we don't deal with remediation of water and the contamination that we have in that area, especially as we look at the shortage of the rainfall that we have had, and thank God we had some rainfall this week. As we look over the decades, cleanup activities in San Gabriel Basin were repeated and hindered by the discovery of new contaminants. How confident are you that we have a clear handle on the problem so that we can start making greater progress in the cleanup?

Mr. WHITEHEAD. Well, I wish I could give you as optimistic an assessment, Congressman, about the Fontana/Rialto issues as I am today in the San Gabriel Valley. The problem, as I said, is a fractured effort. I would again repeat my willingness to work with you or anyone else who would like to foster a unified effort there.

With respect to your specific question about additional contaminants, unfortunately, we have had to deal with new and emerging

contaminants. Technology being what it is, we are able to identify these contaminants in our public drinking water supplies that in the past were invisible to us, and this includes contaminants like perchlorate, dioxane, volatile organic compounds and a veritable litany of contaminants that are endangering our public water supplies.

I might add that the EPA in declaring the San Gabriel Valley a Superfund cleanup site, far from the stigma that most people might attach to that designation, provided extraordinary resources and brought an extraordinary effort to enforce the development of a regional remedy for the San Gabriel Valley, which we have been able to implement in conjunction with the EPA through the Water Quality Authority.

My concern is that we haven't seen a vigorous effort by the EPA in the Fontana/Rialto area, and I dare say the area has suffered as a result. Again, I think we have a model. I think we have a model of success in the San Gabriel Valley with the restoration fund and the Water Quality Authority.

Mr. BACA. Thank you. Mr. Aguilar, with the cities forming a JPA, what would the Central Basin Municipal Water District's role be with regard to any additional funds?

Mr. AGUILAR. The Central Basin looks forward to working with the cities as part of a JPA. We would continue to administer the project and do the day-to-day work on the project as well as monitor the funding, but unlike the past where it was all contained within the district, it would now be monitored in conjunction with the three cities.

We would develop a structure that would provide for interaction for meetings and monitoring so that we can make sure that the project is serving the needs of all the parties involved. We are fully supportive of a JPA and feel that this goes with our new mission at Central Basin, which is to work with the communities within our particular district.

In the past, many water districts have looked at it from above and made decisions based solely on what their knowledge would be and their efforts would be. The time has come, as Mr. Whitehead has said, to focus regionally, to focus locally, to take care of our problems. We believe in now working across with our partners and making sure that their needs are served first by us, and that is a big part of our mission.

Mr. BACA. Madam Chair, I know my time has expired, but if I may ask one final question, and this pertains to Mr. Jensen and Mr. Aguilar.

Since you are asking for additional funds in the bill for H.R. 123, what kind of timelines are on in forming this JPA?

Mr. JENSEN. We believe that the JPA could be formed within a matter of six months, and we are already actually three months into that six-month period under a MOU. So we believe that by the end of the year we could reasonably have a structure for the JPA ready to be adopted by all of the parties.

Mr. AGUILAR. I concur with that. One of the first things we did upon this discussion was to formulate that Memorandum of Understanding so that we would delineate what the goals would be, and this would form the framework for a JPA. We are now at the point

where we are extending that three-month MOU for an additional three months, and we believe that we can formulate it during that time period.

Mr. BACA. Would that also help in the area of the perchlorate if a JPA or Memorandum of Understanding was done in that area, Mr. Whitehead?

Mr. WHITEHEAD. I think it would. I think it would. Even though we have heard today that the concentrations in that area have tailed off, we remain very concerned about the migration of contaminants, including perchlorate and other contaminants, through Whittier Narrows and into the Central Basin, and I think that Mr. Aguilar and Mr. Jensen are doing the right thing in working cooperatively as a collaboration to deal with this in a unified way.

Mr. BACA. OK. Thank you, Madam Chair, for allowing me the extended time.

Mrs. NAPOLITANO. You are very welcome.

Mr. Nunes, do you have any questions?

Mr. NUNES. Not at this time.

Mrs. NAPOLITANO. Thank you. My turn.

There are many things that I want to bring out, and as you have heard, there are questions that have not quite been addressed, especially with the Bureau of Reclamation not requesting enough funds to be able to continue moving forward on the projects that are so essential, and I will continue to harp on that and I will continue to make efforts to increase the budget.

We tried and were unsuccessful this year, but let me tell you next year is another year, and that goes not only for our area but for the whole of the United States, especially the West where we are facing drought. We need the help. We don't need hindrances. I think we need to revisit the mission of the Bureau of Reclamation as stated, because water is water. Whether it is water quality, water production, water safety, all of it is tied into your mission we hope.

With that said, I just have a number of questions that have been formulating in my mind in regard to this particular bill. Mr. Aguilar, when the Central Basin announced their intent to shut down the project and dismantle the facilities, why was I not notified or somebody else?

Mr. AGUILAR. We were in the process of studying the closure, and we were putting together what we were contractually required to with the USBOR. We were down to the final amounts of money, and so when we got to that point, we had to do that. We notified the cities that this was going to take place on a staff level, and the communication line at that particular time broke down in terms of bringing it upward. We should have followed up and notified you as well.

Mrs. NAPOLITANO. Well, I can understand that things do happen, but in order for us to be effective, we need to be availed of the information so that we can move forward and not react at the last minute to whatever is necessary. And I understand you were shut down? You actually did shut down?

Mr. AGUILAR. We had a planned shutdown that was going to be coming up to replace the carbon vessels as it was. They were at the point where they needed to be checked and possibly replaced. So

the timing was at that time the right time to consider and to shut down while we studied the question.

Mrs. NAPOLITANO. The original recommendations or actually the 2001 design indicated that WQPP would operate until 2014, and I know that EPA is not as involved in monitoring and all because I have called them and spoken to them, but I would like to have a better understanding of your relationship with EPA and the monitoring of the contaminants, especially the perchlorate and the new contaminants. What is your relationship?

Mr. AGUILAR. The relationship with the EPA has been primarily on a regular and systematic reporting of what they are finding and what contaminant levels they feel may have gotten through the Whittier Narrows. We likewise are sharing data back with them, and it has been primarily a data sharing back and forth as time has gone by.

In addition, we have a reporting system set up to let us know if they have problems with the Whittier Narrows unit, and if they do, then we can be aware of the fact that we may see a spike at that particular time.

Mrs. NAPOLITANO. Do you also share that same information with the Bureau?

Mr. AGUILAR. The Bureau is kept updated on a regular basis on all our activities.

Mrs. NAPOLITANO. Considering the long history of the contaminants and the uncertainty of those monitoring, and I don't hear anybody say that they are looking at new areas to check to test, it is such a wide area it could conceivably be more either migration or new spots, and I can tell you from the tank farm in Norwalk that has happened. They found new contaminants even though after 15-20 years they thought they were well underway of being able to contain it and clean it, and yet they found new areas of migration.

So is anything being done to be able to try to see that there is reason to be able to continue doing the not only monitoring but also the extension of cleanup?

Mr. AGUILAR. At this particular moment, we are continuing on the original cleanup plan and the original monitoring of the area. We have not gone beyond that. We are trying to see where the containment is at this particular time. Certainly, once we get this JPA together, once we get the operation back into order, then we can consider that as a possibility.

Mrs. NAPOLITANO. When you were considering the shutting down of the facility, did it come into play the amount of time, trouble, money and effort that it would take should a new contaminant be found or additional contaminants be found and have to go back online?

Mr. AGUILAR. We did take into consideration the possibility that that would happen, and we did have some very preliminary figures available as to what the cost would have been to restart. The fortunate part would be that the infrastructure would be in place, but in all likelihood, the internal parts of it, the filters, the actual active part of the purification system would have to be redone totally, and that would have been running in about the $500,000 to $1 million range just for that.

We would probably have had to sink a couple of more monitoring wells as well at that particular time. That would have been a more sizable expense of about a million, $2 million.

Mrs. NAPOLITANO. Did you take into consideration how hard it would be for us to try to get something moving here in Congress after we expended the amount of money and then shut down without notification?

Mr. AGUILAR. We certainly did, and we certainly did not want to take that option if we could avoid it, and fortunately, the cities came forward and said we would like to develop this partnership and keep this project going, which was really quite a godsend. We very much appreciate it.

Mrs. NAPOLITANO. OK. In your testimony, you have attached a chart indicating the amounts utilized for the $10 million that have been expended toward your particular project, and I see there is a little bit of an interesting scenario in the last two years. You are spending more money and producing less water. Why?

Mr. AGUILAR. I believe that we have increased through the years as we have taken more water out of the ground, the expenditures have increased. At various times, there may be an increase in cost simply because it is a maintenance schedule. You will pull less water during maintenance and your costs will go up. In addition to that, we have had increased power costs in the last few years that hadn't been expected.

Mrs. NAPOLITANO. How often do you maintain?

Mr. AGUILAR. Well, it is a constant monitoring and it depends on what the readings are at each quarter. So I don't have the maintenance schedule with me, but I can provide that.

Mrs. NAPOLITANO. Well, I would certainly like to have an idea as to why there is less water produced for the more money that you are expending on those projects.

Mr. AGUILAR. I can provide the schedule for that.

Mrs. NAPOLITANO. Thank you. Mr. Jensen, one of the attachments in the testimony shows the location of the contaminated plume. Would you describe the impact it would have on the water supply, the number of cities involved, probably the residents and possibly the impact on the economy?

Mr. JENSEN. Yes, Madam Chair, I would like to respond to that question. As indicated in our testimony, both the San Gabriel and Rio Hondo spreading grounds are directly in the path of the contaminated plume, and we are deeply concerned that if the contamination reaches those two areas, the impacts on not only three cities but also all the cities in the Central Basin will be catastrophic.

Going back to your question about the cost if you were to shut down the facility, quite honestly, the bigger cost is what happens if you shut down the facility with respect to the local communities and their water systems.

Both Santa Fe Springs and Pico Rivera are investing a lot of local taxpayer dollars in trying to upgrade our systems to make sure that we have reliable water sources, and if the contamination were to continue to migrate, Pico Rivera's wells are very close to the plume as it is right now, those wells could be shut down. They could have to incur expenses for treatment. They would most likely have to begin to buy even more expensive water from metropolitan,

which would lead to a horrendous cost increase for just that city, and that is just one example of what could happen to all the cities in the northern part of the Central Basin area.

Ultimately 2 million people are at risk if we prematurely shut down the WQPP without making sure that the problem that was really built to address has gone away.

Mrs. NAPOLITANO. Could you give me a comparison of the cost of the imported water per acre foot as regards to your produced by the well?

Mr. JENSEN. Metropolitan water currently costs $527 an acre foot. It is going up in January. It goes up every six months, so the projections for several years out are that the cost of water will be well into the $600 per acre foot. Groundwater produced by the cities, which is our most reliable and most cost-effective source, runs about $250 an acre foot. So you can see there is a substantial difference in cost there between those two sources of water.

Mrs. NAPOLITANO. That is quite telling.

To both Don Jensen and Art Aguilar, the cities that form the JPA, the three cities that we have been discussing, have you discussed with the Bureau how they would administer the funds?

Mr. AGUILAR. What will be the actual role in terms of how the funding would take place, it appears that the Central Basin would continue to be the agency through which the funds would go through, and from that point, we would work with the cities as to the application of the same. We would still need to work with the Bureau in terms of some of the technical aspects of it, but we don't anticipate that there will be a great deal of problems because we really won't be changing any of the basics of the contract with the Bureau.

Mrs. NAPOLITANO. Mr. Quint, does the Bureau charge administration fees for administering the fund?

Mr. QUINT. Yes, we have a small fee that is part of our administration of the grants. To date, we have spent approximately $700,000 toward administering these grants, which total now, as was stated earlier, around $70 million.

Mrs. NAPOLITANO. You charge by percent. What percentage would that be?

Mr. QUINT. About 1 percent.

Mrs. NAPOLITANO. Your statement—this is what I was referring to earlier, Mr. Quint—references the Bureau's traditional mission. To me, reclamation means all of it, the whole picture of water. Would you try to explain what the Bureau's mission is and who decides what the agency's mission is? It is certainly not the cities. And when was it decided that the Bureau's mission is limited to delivering water and power in an environmentally responsible and cost-efficient manner?

Mr. QUINT. I think that statement is our written mission statement which has developed over the years. It is not just limited to those types of things. As Congress authorizes other projects, as Congress gives us direction to both authorize and through the appropriations process, we use that direction to help decide which and what we go forward to do.

Mrs. NAPOLITANO. Well, that is all well and good except I can remember I think only one bill that is before this Subcommittee that the Bureau approved of.

Mr. QUINT. And it really comes down to a matter of resources.

Mrs. NAPOLITANO. Then why doesn't the Bureau say when you come before this committee that you don't have the money and we need to increase the budget?

Mr. QUINT. I believe our testimony does say that.

Mrs. NAPOLITANO. Well, in a round-about way.

Mr. QUINT. We will try to be more explicit with that in the future.

Mrs. NAPOLITANO. It would be very much appreciated, sir.

Do you oppose Mr. Dreier's bill because of the mission statement, or is it something else that you feel is not as important in the management of the lower Colorado River?

Mr. QUINT. No, we fully support the intent of the bill. It is just a matter of resources and not having the budget ability to support all the needs in the West.

Mrs. NAPOLITANO. OK. Is Southern California dependent on the Colorado River imported water?

Mr. QUINT. Absolutely.

Mrs. NAPOLITANO. And would Mr. Dreier's bill decrease our dependence of imported water from the Colorado?

Mr. QUINT. As I understand the project, yes.

Mrs. NAPOLITANO. And again, I am confused by the mission of the Bureau and the position they take on our bills that are so critical to our Western states specifically. I would think the bill would improve the traditional mission management of the lower Colorado, so I am really confused when it comes to the stance that the Bureau takes on the projects.

Mr. QUINT. And I understand that. To restate, we agree with the intent of this bill. It really comes down to, with the backlog of projects that we have already authorized, we just don't have enough budget to cover all those needs in the West.

Mrs. NAPOLITANO. I am beating a dead horse, I know.

I would like to submit some more questions in writing because I have a slew of things that really do not make sense to me and I am sure to some of the members of the Subcommittee, and hopefully maybe we can meet with the Commissioner and some of the administration to find out how we can increase the budget so then the Bureau doesn't take a beating every time they come before the Subcommittee.

Mr. QUINT. We would appreciate that.

Mrs. NAPOLITANO. So would we.

With that, does anybody have any questions? No.

Well, thank you very much for your presence. The record is open for 10 business days for any additional testimony, and we really appreciate your forthrightness and your ability to be helpful in these matters. Thank you.

We will continue with the second panel, and while we are taking our respective places, H.R. 2498 is the next bill we will consider that provides the study to develop an integrated regional water management plan and H.R. 2535, the Tule River Tribe Water Development Act. We have again Mr. Quint on the hot seat who will

testify on both bills on behalf of the Bureau, and on H.R. 2498, testifying will be Sargeant Green, Manager of the Westside Resource Conservation District and Consultant for the California Water Institute, and third, Mr. Richard Moss, P.E. with the Provost & Pritchard Engineering Group in Visalia.

Testifying on H.R. 2535 will be Alec Garfield, Director of Water Resources Department for the Tule River Tribal Council from Porterville, California, and fifth, Philip Gregg Larson, the President of South Tule Independent Ditch Company, also from Porterville.

I would like to have Mr. Costa begin with the introduction since it is his bill.

Mr. COSTA. Thank you very much, Madam Chairwoman, for all of your good work, for your leadership in this committee and for the passion that we share to try to address our nation's water resources. In particular, I want to note that since taking the chairmanship of this Subcommittee, you have taken your time to visit all areas throughout California. In particular, your visit to the San Joaquin Valley this summer in July to look at both of the problems, or multitude of problems I should say, in the valley, both on the east side and the west side, is a testimony to your passion and to your desire to try to address the challenges we face in California as it relates to our water needs.

The purpose of this bill is straightforward and contained in the descriptive. It is to develop a regional plan, a roadmap so to speak, for our long-term water needs on a regional water planning basis to include the local water agencies, the counties and the cities in the San Joaquin River Hydrological Region, the Tulare Lake Region, inclusive of the current Tulare, Kings, Fresno, Madera and Merced Counties as well as Stanislaus and San Joaquin. This roadmap when the plan is completed would be used as a mechanism to solve long-term water needs in sustaining our water on an equitable basis.

This is a bipartisan bill. It is supported in the region by Congressman Cardoza, Congressman Nunes, Congressman Radanovich and Congressman McCarthy and myself. The five members representing the eight counties in the area are all coming together to work on this important effort.

When this study is complete and we get buy-in, hopefully we will break it down into the four water challenges facing our region and I might say facing the entire West as well as California. That is water supply, that is water quality, that is environmental restoration, and that is flood control-related issues. And if we are successful, it will provide the basis for innovative financing that could include but not be limited to a joint powers authority that would include all the water agencies, the counties and the cities, in essence finance much of what needs to be done in our long-term water supply needs, our water quality, our environmental restoration as well as our flood control.

I don't need to tell the Chairwoman or the members of this committee that we are in a water crisis in California. We are in a water crisis, and we have been living on borrowed time. We have a water system in California that I would estimate is currently designed to support 20 million people. Yet today in California, we

have over 37 million people. By the year 2025, it is estimated that we will have an additional population growth of 15 to 17 million more people. That will put California with over a population of 50 million people, and we therefore are living on borrowed time.

We have an interesting confluence in this water crisis of what is a Mother Nature potential drought, the last drought we had was 1988 to 1992, a six-year drought. Last year we had 28 percent normal precipitation and snow pack, and if that continues in the next year or two, it will be a magnitude that I think will pale in comparison to the last drought we had in California.

That, coupled with a manmade drought, I think creates a perfect storm. We have judicial decisions that have resulted in reduction of water. I have noted that in the last 17 years as a result of judicial decision and legislative decision, and I will submit this for the record, there has been a redirection of water from the San Joaquin Valley in dry years of over 2 million acre feet of water; in wet years, approximately 1.2 million acre feet of water. That is water that has gone to other parts of the state for meritorious reasons. The water has left the San Joaquin Valley. Therefore, you have the confluence of a manmade drought together with Mother Nature.

Now this proposal, this plan before you was a vision in 2002 when the Federal government completed its effort with the State of California in what was known as the CALFED decision. The record of decision envisioned that all the regions of California would come up with a regional water management plan. As my other witnesses will testify today, other regions of California are ahead of us in developing their regional roadmap.

We know climate change is taking place. It is impacting all portions of the United States and the Southwest, particularly California. Not making a decision could result in a reduction of another potential million acre feet of water not just to the valley but between 12 percent of water to Southern California in wet years, 37 percent of water in dry years; the Santa Clara Valley, potentially 12 percent in wet years, 37 percent in dry years. So this is timely. This is necessary. It is long overdue. It also couples together with the Governor's plan on a water bond, which I support.

Now let me close by saying that this is a partnership like other good efforts. We have local efforts, some of these witnesses will testify from the local level. They are providing in-kind support. We also have the State of California, the Department of Water Resources has committed approximately a million dollars to support this study. We are looking for a similar effort from the Federal level, which is why this authorization bill is before you. This will be undertaken by the California Water Institute at Fresno State, that will be the facilitator of this effort, together with the local water agencies.

For all of those reasons, I ask this Subcommittee to support the effort, and I respectfully would like to submit another letter for the record by the Association of California Water Agencies that also supports this legislative effort as well.

With that, I want to thank my witnesses for coming here. I want to thank the Chairwoman for her time and her patience and for visiting the valley once again to meet with my constituents and to hear their concerns as she knows so well.

So, with that, I would like to defer to the witnesses who are here today to testify on behalf of the bill.

Mrs. NAPOLITANO. Thank you, Mr. Costa.

Next, Sargeant "Sarge" Green, Manager of the Westside Resource Conservation District and Consultant to the California Water Institute.

STATEMENT OF SARGEANT "SARGE" GREEN, MANAGER, WESTSIDE RESOURCE CONSERVATION DISTRICT, AND CONSULTANT TO THE CALIFORNIA WATER INSTITUTE, FRESNO, CALIFORNIA

Mr. GREEN. Thank you very much, Madam Chairwoman, Members of the Subcommittee. My name is Sarge Green. I am the Manager of Westside Resource Conservation District. That is 1,100,000 acres of western Fresno County. We are here to ask for your support on H.R. 2498.

Backing up what Congressman Costa talked about, native water in the San Joaquin Valley is very unpredictable. We go from wet to dry in a heartbeat, and 2006 and 2007 are perfect examples. 2006 was very wet. I had a levy break in my area in western Fresno County. 2007 has been one of the driest on record.

Water in the San Joaquin Valley is a competitive item. It is not, as in our sister area in the great Central Valley, the Sacramento Valley, it is not a surplus commodity, and any time you have competition, it creates adversity and it is difficult at times to come together. The contrast in the Sacramento Valley is that there are net surplus and organized very well in terms of their water supply, and they have large regional organizations that have been around for a number of years and have performed admirably in that regard. We have been less successful.

The loss of water that we are talking about has worldwide implications from the San Joaquin Valley. We are, as you know, a net exporter of fruits and vegetables. We also have some unique crops like almonds and canning tomatoes that are world leaders. The 15-year decline that we have had has forced a shift of permanent crops. For example, many people criticize cotton. We are down from 1.5 million acres of cotton to 500,000 acres of cotton in the San Joaquin Valley, and most of it is Pema, an unsubsidized variety.

The water actions that the Congressman talked about have been devastating, and frankly, the greatest impacts have been on the small communities, and I am here to discuss those impacts also.

I have participated in western Fresno County in an economic development organization called the I-5 Business Development Corridor, and it is made up of some of the poorest communities in the State of California and the San Joaquin Valley. Huron, San Joaquin, Mendota, we bootstrap and help ourselves. We have done things like forming this regional organization to advance business development through loans, vocational education, transportation corridors to diversify and improve our economy.

We have 15 to 30 percent unemployment in these communities. You had a Congressional Research Service report a few years ago that outlined the problems in the San Joaquin Valley. The problem was that it blended the larger cities with the small communities so it doesn't truly reflect what has happened in those small commu-

nities, and a specific example in my area near Tranquillity is that if you saw an aerial photo, there is 43,000 acres of land retired between Mendota and Tranquillity.

We have proposed some remedies for this, and that is the regional water planning process. We need to help ourselves in the San Joaquin Valley, and that is what the regional plan is all about. The Federal actions that have been previously mentioned all contribute to the dramatic drop in water supply, and the only way we can do anything is to help ourselves by integrating all the potential opportunities that we have.

There is a compelling Federal interest in this matter because not only do we have the actions, the Delta from Northern California, but also the Bureau and the Corps operate and maintain and/or contract out the operation and maintenance of many in-valley facilities, and a lot of the storage reservoirs.

One might ask, why Fresno State and California Water Institute at Fresno State? Well, one of the things I mentioned earlier is that the competitive nature in the San Joaquin Valley has led to adversity and hardship and, quite frankly, bad feelings in the past amongst the water entities, and we believe that by facilitating through the California Water Institute we can transcend some of our problems in the past and then perhaps move the whole integrated plan forward much more smoothly. Thank you. That concludes my testimony.

[The prepared statement of Mr. Green follows:]

Statement of Sargeant J. Green, Secretary-Manager, Westside Resource Conservation District, on H.R. 2498

Ladies and Gentlemen:

H.R. 2498 proposes to provide for the development of a "San Joaquin Valley Regional Water Plan". The following testimony posits the rationale and describes the Federal interests in developing such a plan.

BACKGROUND

The San Joaquin Valley portion of the Great Central Valley area of California has chronically been water short since broad-scale irrigation of the area began in earnest with the development of the deep-well turbine pump in the early twentieth century. The San Joaquin Valley watersheds and their inclusive river systems have always been unpredictable as to their supply availability. This in turn has impacted the ability to effectively manage those supplies. There has been no such thing as "average". Many times in the recorded water history of the San Joaquin Valley the rivers and streams have been wet or dry, period. The 2006 and 2007 water years are perfect examples. The 2006 water year was extremely wet with flooding and levee failures up and down the San Joaquin Valley. 2007, on the other hand, has been so dry it will hit the record books.

The southernmost portion of the San Joaquin Valley, the Tulare Basin (Fresno south), is a closed hydrologic basin. Only in rare large flood years does it connect to the San Joaquin River Basin (as in 2006). As a result, much of that hydrologic area has naturally accumulated salt in significant portions of its inclusive groundwater basins, especially on the western side of the Valley. Imported northern California Delta water brings additional salts to the Basin. The result of these conditions is that native good quality surface or ground water has been relatively scarce in the Valley as a whole and therefore a competitive commodity. Competition has historically spurred adversity and protectionism between the haves and have-nots. In contrast, the northern portion of the Great Central Valley, the Sacramento River Basin, has historically enjoyed a surplus of water that became the envy of the balance of the State and ultimately a source of export water for both State and Federal water projects for that critical resource.

When the Sacramento Valley water interests became alarmed that eventually the exports could impact their future needs they collectively organized. That pattern of organization continues today. When new water resource management programs or

"externalities" come along such as the relatively recent "integrated regional water management planning" (California Water Code Sections 10540 to 10546) or the California Central Valley Waterboard "Irrigated Lands Program" (a regulatory program for control of irrigation return flow pollutants), the Sacramento Valley galvanizes and has been very effective at developing basin-wide, collective organizations such as the "Northern California Water Association". In contrast, the San Joaquin Valley has not had any such region-wide collective force. However, with the continuing loss of significant portions of the imported supply from northern California over the last 15 years, the time has come for the San Joaquin Valley to lay down arms and work together. That is one of the main purposes of the San Joaquin Valley Regional Water Plan; to create an environment where the San Joaquin Valley community-at-large can work together to optimize every opportunity for in-Valley water management without cannibalizing other portions of the State.

The impact of the loss of water to the Valley has State, national and world-wide implications. The San Joaquin Valley is one of the most important agricultural areas in the world and a significant source of fruits and vegetables for the nation and export market. It produces unique crops that dominate world markets such as canning tomatoes and almonds. The loss of water has changed the cropping pattern by reducing the amount of traditional row crops and shifting it to permanent crops. Many critics have complained about the production of subsidized crops such as cotton. This year Valley cotton acreage is down to 500,000 acres from a historical average of 1.5 million acres and the dominant variety grown is Pima, a fine-fiber, unsubsidized variety. The impact of these changes to some of the rural communities is the loss of agricultural jobs. A shift to permanent crops reduces the labor demand, further impoverishing already disadvantaged communities. Recent immigration issues have tightened the labor availability but what people fail to understand is the permanent rural resident population used to move from crop to crop cobbling together an entire year's worth of labor. Now they only have very seasonal opportunities. That impacts their total income in a year.

The loss of imported northern California water into the San Joaquin Valley has come as the result of State, Federal and local agreements, State administrative findings, Federal statute changes and far-ranging Federal court decisions. The following is a summary of some of the related major actions over the last 15 years.

1. CVPIA, 1992—Federal statute, diverted up to 1 MAF from the San Joaquin Valley to environmental purposes.
2. Monterey Agreement, 1994—CA State Water Project Contractors internal agreement, diverted 130 TAF from Valley agricultural to urban water contractors, water transferred mostly from Kings and Kern Counties.
3. Winter Run Salmon Federal ESA listing, 1994, lead to numbers 4 to 7 below.
4. VAMP, 1995—Vernalis Adaptive Management Program agreement, joint State-Federal administrative decision, derived from CA State Water Resources Control Board, Water Rights Decision 1641—diverted San Joaquin River Basin flows to anadromous fisheries management in the Delta, includes a substantial portion of water stored in the Federal facility New Melones Reservoir, on the Stanislaus River, precluding its use for other project purposes.
5. Trinity River Adaptive Management Program, 2000 Federal administrative action, diverts additional Trinity River flows as necessary above CVPIA mandate of 340 TAF.
6. San Joaquin River Settlement, 2006, Federal court settlement of NRDC vs. Interior, restoration of the San Joaquin River for salmon with estimated flow of 160 TAF to be released down the main stem.
7. Delta Smelt ESA Federal court decision, August 2007, an implementation plan is under development, initial estimates of loss of one-third of pumping capacity windows of State and Federal Delta pumping plants in normal year-types.

The results of these various actions have had, and will have, the most impact on agricultural water supplies in the San Joaquin Valley and the rural communities that depend overwhelmingly on agriculture for their economic engine. The larger metropolitan areas in the San Joaquin Valley have been somewhat hardened from these impacts because of explosive population growth and attendant construction and business development during the last ten years. In addition, almost all of the large cities are on the eastern side of the Valley which lay over or near substantial ground water and surface water sources of excellent quality.

I can specifically relate the practical impacts of the losses of agricultural water supplies to smaller, disadvantaged Westside Valley communities in Fresno County as I have participated in a rural area economic development effort known as the I-5 Business Development Corridor which includes many of the small communities in that area. That organization was started in 1994 by the City of Firebaugh in response to both the impacts of the implementation of CVPIA and the six year

drought in California that occurred from 1988 to 1994. The purpose of the organization was to speak with one regional voice on the changing conditions and to prioritize regional activities that would assist in diversifying the economy of the member small cities and communities. The group has championed vocational education, transportation improvements and business loans to adapt to the new conditions with mixed success. The communities that joined besides Firebaugh included: Kerman, Mendota, San Joaquin and Tranquillity. Several years later, the communities of Firebaugh, Mendota and San Joaquin dropped out as their treasuries could no longer support the dues, however, Huron and Coalinga joined in their stead.

The practical impact of the drought and the parallel permanent surface water losses in the ensuing 15 years has been low median household income, high unemployment and low education attainability in western Fresno County. The average unemployment for communities like Mendota, San Joaquin and Huron has hovered between 15 and 30% since the beginning of the natural and man-made drought. Some of these findings were documented in a special Congressional Research Service (CRS) report completed on behalf of the San Joaquin Valley Congressional delegation in 2005, however the statistics were blended for the entire region, somewhat masking the actual difference in rural communities because of the data from the five large metropolitan areas. Nonetheless, the information is consistent for all rural communities from the entire north to south and east to west transects in the San Joaquin Valley. From Vernalis in San Joaquin County to Hilmar, Gustine and Dos Palos in the San Joaquin River area; from Firebaugh to Huron in the Fresno County Westside, Avenal to Alpaugh in Kings and Tulare Counties; Chowchilla to Orange Cove and Lindsay to Richgrove on the Eastside of the Valley and Delano to Buttonwillow in Kern County, the greatest impact from changes in the water-dependent economy have been in the small rural communities. All these communities are poverty-stricken and deficient in many of the amenities we all take for granted, ranging from clean drinking water to parks and reasonably effective schools. An important comparison made in the report is that the San Joaquin Valley is the "Appalachia of the West". In fact the data presented indicates that much of the rural Valley is in worse economic condition than Appalachia. The CRS report is included as a reference for this testimony.

My personal experience is that many of the growers in Tranquillity also farmed in Westlands and during my tenure as manager of Tranquillity Irrigation District, I saw the number of farm operators in Tranquillity drop from over 50 to less than 25. Many of them gave up on their ground in Westlands; they were bought out for the water supply so it could move upslope to the permanent crop ground. Coincidentally, it was clear that the workers from these operations were not making the incomes they had previously as the "city" drinking water accounts went from less than 5 delinquencies per month and a "clean up your bill when you get a chance to" attitude to more recently as many as 20 to 25 per month that were forced to pre-pay or have their water shut off. A high percentage of "deposit-required" and pre-pay accounts continue to this day. Many of the community agricultural workers have become so destitute they have to carefully juggle their finances to pay to for such a basic service as running water.

Another clear physical impact of the change in water supply, which resulted from the above-mentioned significant internal policy changes in Westlands, was the amount of fallowed land between the communities of San Joaquin, Tranquillity and Mendota. A noticeable swath of over 43,000 acres is unmistakably visible when you drive State Highway 33 south of Mendota or see an overhead aerial picture. That area is more than the combined acreage of the adjacent James and Tranquillity Irrigation Districts, both of whom are very mature Districts (1920 and 1918 respectively) on old "Fresno Slough" (the northern flood channel of the Kings River) and the eastern border neighbors of Westlands (hence the co-mingling of owner/operators).

Many of us close to the water business in the San Joaquin Valley are cognizant of the inevitability of the changes that are occurring in the availability of imported water. That is all the reason more we need to carefully plan for the optimization and utilization of what the Valley can expect and/or properly manage its own native resources. Some specific examples that need to be rationally explored and should be included in the Regional Plan include:

1. Development of new infrastructure for rural communities including high quality water for drinking and up-to-date waste treatment disposal capacity so as to assist small communities in attracting new business and diversifying their economies. Many Valley community and individual drinking water systems are plagued with poor quality ground water from naturally occurring contaminants such as arsenic and uranium while others have anthropogenic contamination

from legacy chemicals such as DBCP or nitrates from animal wastes and fertilizers.

2. Environmental restoration of permanently fallowed lands, with some potential economic gain through eco-tourism and/or fee-for-service ecosystem mitigation banks for land use changes elsewhere in California.
3. Ground water banking; the good news is vast areas of empty space exist in San Joaquin Valley ground water basins from eastern San Joaquin County to northern Kern, the bad news is vast areas of empty space exist in San Joaquin Valley ground water basins.
4. Finding and exploring new technology in water treatment to allow use of broad areas of brackish ground water and manage salt residuals in environmentally friendly ways; this technology has to be married to other technology that keeps energy costs reasonable such as photovoltaics, biofuel and carbon management technologies.
5. Identifying future reliable surface water management alternatives such as in-Valley conveyance and storage facilities. Capturing more flood water and storing it on retired lands or flood plains where we can obtain easements are examples of alternate methods of storage, however we cannot ignore looking at expanding existing reservoirs or adding new ones.

THE COMPELLING REASONS FOR FEDERAL PARTICIPATION

As noted above, many of the changes in water supplies for the San Joaquin Valley can be directly related to the changes in Federal water policy and the need to shift the water to other uses. Federal environmental laws and the related circumstances in the complex Sacramento-San Joaquin River Delta aquatic environment have engendered many of the water supply changes. However, the impacts of these ongoing changes on some of the third parties have not been adequately mitigated, especially in rural communities. These changes have occurred in a relatively short period of time, 15 years. Also, we have gone from a time of completion of the implementation of the original Federal Central Valley Project purposes and full use of their associated water supplies to a shrinking back of almost one-third of that peak in one and a half generations of rural citizens.

In addition, many of the water management facilities in the San Joaquin Valley continue to be under the control or operated by Federal agencies. Most of the water storage reservoirs on all the river systems in the San Joaquin and Tulare Basin hydrologic areas are either under the jurisdiction of the Army Corps of Engineers or the Bureau of Reclamation. In addition, those same agencies assist in the management of the stored water resources either through cooperative agreements for operating delivery systems or through regulatory responsibilities such as levee integrity and flood control. For this reason those agencies need to participate in any Valley Regional Plan.

Those of us testifying before you today are asking our Congressional and Federal Executive Branch partners to take a step back and recognize all the water loss in the San Joaquin Valley. The combined Federal and State policy issues such as Delta and San Joaquin River environmental restoration has to be acknowledged and interest you in investing in a process that provides the opportunity to address the realities of the job losses, poor education attainment and impoverishment in the rural communities as well as the opportunity to restore the natural environment in a sensible way. That process is a "San Joaquin Valley Regional Water Plan".

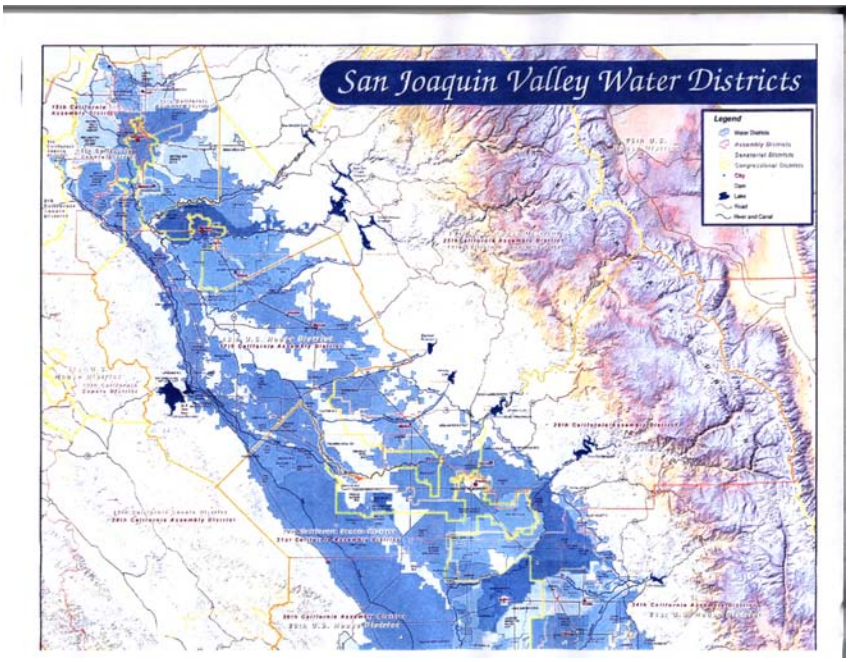
One might ask why California Water Institute (CWI) at Fresno State? The answer is related to the earlier mentioned problems of the history of contention amongst water entities in the San Joaquin Valley. CWI can transcend those parochial chasms and hopefully find solutions for the benefit of all Valley residents. Secondly, CWI competed for the role under Governor Schwarzenegger's "California Partnership for the San Joaquin Valley" and won the position with a seed grant to provide the coordination and facilitation of the water work under that program. It makes sense to integrate that role with any Federal efforts. I have attached an organizational chart of CWI and its leadership for your perusal.

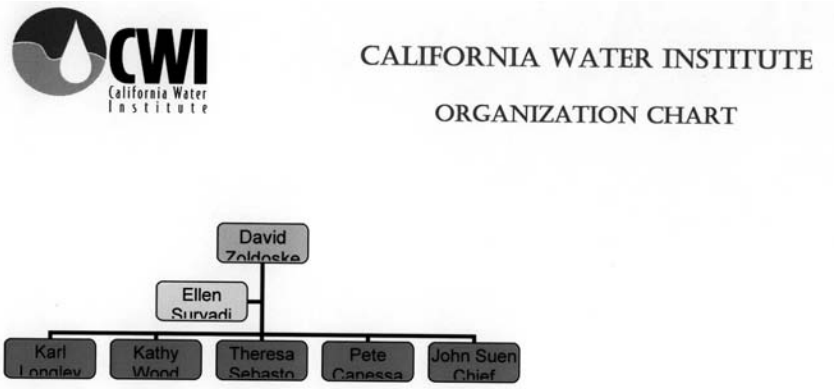
Thank you for this opportunity and please give all due consideration to our request so the San Joaquin Valley Regional Water Plan process can be developed and implemented to provide a sensible transition to the new realities and opportunities of the 21st century.

Attachments:

1. Map of "integrated regional water management planning" efforts underway in the Great Central Valley
2. Staff organizational chart and biographical sketch of Dave Zoldoske, Executive Director of the California Water Institute at Fresno State.

IRWMPs in the Sierra Nevada and Central Valley
Sierra Nevada Conservancy Boundary
HUC 8 Watershed Boundaries
Prop 84 Funding Area
IRWMPs in Planning Stage
IRWMPs in Implementation Stage
Launched IRWMPs - No State Funding
Map Authors:
Sierra Nevada Conservancy
Sierra Nevada Alliance
CA Dept. of Forestry and Fire Protection - FRAP
Pit and Fall Watershed IRWMP
North Coast
North Lahontan
Glenn - Colusa IRWMP
Upper Feather IRWMP
Upper Yuba IRWMP
Sacramento Valley IRWMP
Sacramento River
Tahoe - Sierra IRWMP
CABY IRWMP
Yolo County IRWMP
Lake County IRWMP
Solano County IRWMP
M/A/T/C IRWMP
San Joaquin River
Sacramento Regional Water Authority IRWMP
Inyo IRWMP
San Francisco Bay
Merced IRWMP
San Joaquin Water Banking Authority
Madera IRWMP
Kings IRWMP
Kaweah IRWMP
South Lahontan
San Luis & Delta Mendota Water Authority
Central Coast
Lower Tule IRWMP
Tulare/Kern (Tulare Lake)
Mojave Water Agency
Antelope Valley IRWMP
Los Angeles Funding Area
PACIFIC OCEAN
Orange Area Funding Area
Prop 84 Funding Areas
North Coast $37 Million
Central Coast $52 Million
Colorado River Basin $36 Million
Los Angeles Sub-Region $215 Million
North/South Lahontan $27 Million
Sacramento River $73 Million
San Diego Sub-Region $91 Million
San Francisco Basin $138 Million
San Joaquin River $57 Million
Santa Ana Sub-Region $114 Million
Tulare/Kern (Tulare Lake) $60 Million





Mrs. MCMORRIS RODGERS. OK. Next is Richard Moss, Provost & Pritchard Engineering Group.

STATEMENT OF RICHARD M. MOSS, P.E., PROVOST AND PRITCHARD ENGINEERING GROUP, INC., VISALIA, CALIFORNIA

Mr. MOSS. Thank you, Madam Chairwoman and Members of the Subcommittee.

My name is Richard Moss, Vice President for Water Resources for a civil engineering firm in the Central Valley known as Provost & Pritchard Engineers. I have had the fortunate pleasure of having my entire career spent, 30-year career, in the San Joaquin Valley

doing largely water planning-related activities and water management.

I have experienced really what I think are three eras of water management planning in the Central Valley. I got on the tail end of what was the big project era, coming in near the completion of the state water project and much of the Central Valley project. Then most of my career I had the opportunity to spend in what I call the "holding onto what we have got" era where we have been trying to maintain the water resources that were previously developed by our forefathers and trying to hang onto the water supplies that we had. Really the era of big projects was deemed to be dead, and we were more focused on district-by-district kinds of projects.

We are now entering a new era of water management planning. We have new needs for the valley, different needs. We have a quite frankly different constituency than we had earlier, a much more diverse constituency. The result of this new era or the way to define it I think or the definition of it is really one of an integrated regional planning era, and this is focused by or this comes to being by focusing on a variety of needs and getting more people involved and more effort placed from a variety of entities, trying to apply multiple strategies, different kinds of strategies to solve many problems at once.

It certainly involves a much broader public involvement in the deliberations and the planning that is going forward. It is I think especially effective and can be even more effective if we have state and Federal funding to support these efforts, but it is very important to allow the local initiatives to take place and local priority-setting to be what controls.

While the San Joaquin Valley, as has been mentioned, is lagging somewhat in terms of this planning effort, it certainly wasn't the fault of our local congressman who called for the development of a San Joaquin Valley plan a couple of years ago. Congressmen Costa, Radanovich, Cardoza and Nunes and most recently Congressman McCarthy have all supported this effort and have really beat the drum, if you will, with the local water agencies to come on board. They have promoted this effort today on what I would call a shoestring budget, having been facilitated largely by Cal State, Fresno and the California Water Institute.

Our work is really cut out for us given the size of the region and the number of water management entities. I have passed out a map, and I have a map here on the left which shows the San Joaquin Valley and the huge number of water management entities, and those I should note are just the public agencies. That doesn't show the community services districts and the public utility districts that are often run by the counties. It doesn't show the private water companies that own significant portions of the water rights for most of our local streams, and it doesn't show the tens of thousands of groundwater pumpers, those individuals, companies, farmers, homeowners that have wells that pull from this resource that by and large are unregulated and kind of doing their own thing, if you will.

As has been talked about, we face many issues here in the San Joaquin, including San Joaquin River restoration, the collapse of the Delta and the pumping curtailments that are being imposed as

a result of Delta smelt. We have all heard in the past about ag drainage and some of its issues. I think it is safe to say that this is the most significantly impacted region of the state, suffering in terms of reductions in what had been their historic water supply.

Other issues of significance are the tremendous growth that is facing the region and water quality for, in particular, our poorer and more disadvantaged communities that really need improvements to their water quality. Another issue close to my heart is the loss of wetlands in the region and the need to protect and restore water supplies to much of the remaining private wetlands.

I am here today obviously in support of this legislation and look forward to answering your questions. I believe this planning effort can be a critical link in making the outlook for San Joaquin Valley brighter in terms of its sustainability of the resource and ultimately the sustainability of this economy. Thank you very much.

[The prepared statement of Mr. Moss follows:]

Statement of Richard M. Moss, P.E., in Support of H.R. 2498

MADAM CHAIRWOMAN AND MEMBERS OF THE SUBCOMMITTEE:

I very much appreciate being given the opportunity to testify before the Subcommittee to provide insight as to the need for H.R. 2498 and the water management planning it would provide. I am testifying today on my own behalf as a consulting civil and water resource engineer that has spent my entire professional career in the San Joaquin Valley assisting many water agencies and cities in their water resource planning. I am also here as a small citrus grower dependent upon local and regional surface and groundwater supplies to grow my oranges and mandarins and as a member of the Board of Directors of the Tulare Basin Wildlife Partners, a non-governmental, non-profit organization focused on the protection and restoration of native habitats, including wetlands, in the Tulare Basin portion of the San Joaquin Valley.

I am Richard M. Moss. I am a professional registered civil engineer and the Vice President for Water Resources for the engineering firm of Provost and Pritchard Engineering Group, Inc. with offices in Fresno, Visalia, and Bakersfield in the San Joaquin Valley. We hope to soon be expanding our offices to the more northern part of the San Joaquin Valley as we do have numerous clients in that part of the Valley as well. I have been in the consulting business for the past six years. Prior to that I was the General Manager of the Friant Water Users Authority for over 15 years. The Friant Water Users Authority is a joint powers authority formed under state law comprised of 25 member agencies that serve the irrigation water needs of approximately one million acres of the worlds richest farmland, receiving water from the Friant Division of the federal Central Valley Project (CVP). I have had the opportunity to testify before this Committee on a couple of occasions in my past capacity as General Manager of the Friant Water Users Authority.

I have had the great pleasure and a wonderful career of being directly involved in the water resource planning for much of the area to be directly benefited from the passage and implementation of H.R. 2498. I can attest to the benefits to be had from taking a more coordinated approach to such planning.

Overview of Integrated Regional Water Management Planning

The fundamental planning for the water resource needs of the San Joaquin Valley has been around for a very long time, including the notion of developing plans on more of a regional basis. Some of the earliest planning was done on the grandest of scale. For example, the planners of the CVP (originally conceived by the State and later assumed and carried out by the federal Bureau of Reclamation) laid out a project of statewide significance, importance and involvement. While the CVP has grown and expanded several fold in terms of its structures and its benefits, the earliest configurations of the CVP conceived of two large dams, one on the Sacramento River in the far northern part of the State and the other on the San Joaquin River in central California and a system of canals and water exchanges that could serve several million acres of existing and new farmland. The subsequent additions to the CVP, as well as the later development of the State Water Project, all involved water resource planning on a truly large, large scale.

However, since those early days of water resource planning and water development, most of the water resource planning has come as the result of addressing a specific need within a region (or more likely within a specific water district) and the planning has consisted of little more then developing a plan to implement a project to address a specific need. As water resource engineers, we were told that the era of big projects was dead and to focus our thinking on making better use of the resources that our forefathers had already developed.

We have now entered into yet another era of water resource planning. While for the first time in a long time there is active discussion of larger scale development of dams and conveyance facilities in the State, there remains the idea that before such new facilities can be constructed, or at least in conjunction with their construction, proof needs to exist that the existing water resources, as well as the proposed new water resources, are being optimally used and that the coalition of interests to be benefited by new water development needs to be very broad in nature; all with little or nor displacement of interests, obviously including environmental interests.

This idea of an integrated and comprehensive approach to water management planning, encompassing a variety of water management needs with the potential for a variety of entities which have water management responsibilities to engage, is thus a relatively new idea and has caught on with great fervor within California. The thought behind this approach is that, unlike traditional water resource planning documents, an integrated regional water management plan (IRWMP) does not focus on one—or even just a few—facets of water resource planning. Rather an IRWMP investigates a broad spectrum of water resources issues, involving diverse interests through public and stakeholder involvement and attempts to integrate multiple water management strategies to solve multiple priority challenges. By building a broader coalition in support of an array of projects, the hope is to leverage that regional cooperation to successfully address multiple water resource objectives. This approach can be especially effective if the principle state and federal funding agencies for such water projects support this approach and are willing to defer the prioritization of how the their money gets spent to the local planning interests.

At least some of the current focus on IRWMPs in California can be traced back to the development of the Santa Ana River Watershed Project in Southern California. This was a region rife with conflict over the management of their water resources and saddled with litigation that was costing millions of dollars annually to pursue with little in tangible results. After much struggle it was determined to address the various needs of the parties in a comprehensive manner and to try to do so using non-local financial resources. Their integrated regional approach, born out of conflict, has served as the basis for significant political will to address some pressing water resource needs. Their effort is now serving as the preferred model for addressing water resource issues where the need for assistance outweighs the ability of the state agencies to provide help and thus regional priorities need to be set; who better to set those priorities then the local folks.

The State of California has really been emphasizing the need for this kind of water resource planning. In 2002, the state legislature passed and the Governor signed into law the "Integrated Regional Water Management Planning Act," which lays out the legal basis providing for regional water management planning. Subsequently, the Californian Department of Water Resources prepared guidelines for the preparation of IRWMPs following the requirements of this law.

Then the State put money behind their intentions of emphasizing regional planning via the grant funding processes coming out of Proposition 50 (the "Water Security, Clean Drinking Water, Coastal and Beach Protection Act") and Proposition 84 (the "Water Security, Clean Drinking Water, Coastal and Beach Protection Act"), water resource planning and construction monies that were made available by general obligation bond acts. Being part of an IRWMP, or at least involved in the process of developing an IRWMP, is a prerequisite to receiving implementation grant funding under these propositions.

Some obvious advantages to planning water resource management on a more regional scale include:

- Addressing the apparent prerequisite for accessing future state grant monies for local water projects;
- Broader political support for multi-purpose projects;
- Packaging of otherwise single purpose projects together as a single multipurpose project and reaping the benefits of broader political support for everyone involved;
- Cost savings from development of multipurpose projects;
- Pre-mitigation of project impacts by packaging of multiple projects providing benefits to potentially impacted resources;

- Local setting of priorities to avoid competing projects at the regional level where competitive grants or funding is involved;
- Spreading the burden of grant application costs and other "front-end" costs associated with public works construction funding;
- Broader public involvement and awareness of local water issues and needs;
- Involvement and understanding of land use planners and decision makers on the regional availability (or lack thereof) of water supplies to support new development or the water related impacts of other land use changes;
- Urban constituency awareness of the local social and economic value brought by agricultural water agencies;
- Support from local advocacy groups due to their involvement in project formulation which lessens the opportunity for and effect of out-of-area advocacy groups;
- Development of inter-agency agreements for cooperation and service interconnection during drought of other emergencies.

Unfortunately, the San Joaquin Valley has been slow to embrace the concept of IRWMPs and as a consequence is behind much of the rest of the State in development of IRWMPs. This slowness is not a result of recalcitrance or of lack of water management insight. I believe it is largely a result of the diversity of underlying water and contractual rights, the diversity of kinds of projects and the nature of these projects serving the area, and importantly, because of the defensive posture that most of the San Joaquin Valley water community has been in relative to trying to protect their existing water supplies and unfortunately suffering significant reductions in those supplies. Having said all of that, a number of what I would term as "sub-regional" planning efforts have emerged and the level of communication and of activities to begin the development of a regional plan, or plans, is clearly catching hold.

The San Joaquin Valley Regional Water Plan

Congressmen Jim Costa, George Radanovich, Dennis Cardoza, and Devin Nunes initiated the development of the San Joaquin Valley Regional Water Plan almost two years ago. Congressman McCarthy has now also joined in support of the Plan's development. They could see the need for their constituents to work together in addressing the region's collective water management needs. The California Water Institute (CWI) at California State University, Fresno was asked to facilitate the regional planning effort. Development of the San Joaquin Valley Regional Water Plan was organized into four sub-working groups. The four sub-working groups were organized by four water-related needs within the region: (1) Water Supply, (2) Water Quality, (3) Flood Control, and (4) Environmental Enhancement. Members of the water community, representatives of industries and communities relying on water, and organizations dedicated to the enhancement of the environment populated the working groups. The working groups also included irrigation district managers, water agency members, water resource engineers, government officials, agribusiness representatives, public works managers, and environmentalists. I have personally had the opportunity to chair the Environmental Enhancement sub-working group.

Subsequently, Governor Schwarzenegger convened the San Joaquin Valley Partnership. The Partnership brings state agency secretaries and Central Valley representatives together to make recommendations to the Governor regarding changes that would improve the economic well being of the San Joaquin Valley and the quality of life of its residents, including recommendations regarding water resources. The 26-member Partnership, led by the Secretary of the Business, Transportation and Housing Agency, is composed of eight state government members, eight local government members and eight private sector members, along with two deputy chairs. With the comprehensive nature of the already started congressional regional water planning effort, the Partnership agreed to synchronize its water planning efforts with the ongoing process in its development of the Partnership's water action plan and associated recommendations to the Governor.

The San Joaquin Valley Regional Water Plan under the leadership of the CWI has made good progress in identifying and polling the various interests of the region as to their water needs and the projects they believe are needed to meet those needs. This initial cataloging of the various interests, their needs and their projects was done on a shoestring budget and needs to be updated and further refined. The requirements of integrating the water planning requirements for the Partnership into the balance of the Partnership activities has also required the under-funded attention of the CWI staff.

Meanwhile, as noted earlier, sub-regional planning efforts have been started within a couple of watersheds in the San Joaquin Valley. They clearly are in need of help in integrating their efforts into a bigger regional plan. These efforts are typically being lead by agricultural water interests that have a limited perspective as

to all of the needs of their area given they are largely in the business of supplying water to just agriculture. They have been struggling with how best to engage and address the other water management needs of their areas such as drinking water quality, environmental water needs, and flood control.

The Need for H.R. 2498

Others on this panel in support of this legislation will describe for you the water management crisis that is facing much of the San Joaquin Valley. Since the creation of the San Joaquin Valley Regional Water Planning effort by our four local congressmen, much has changed to lessen the reliability of water supplies for all users of water in the San Joaquin Valley. While the supplies and their reliability are shrinking, at the same time the demands for water, particularly clean drinking water, are increasing, as the region is one of the fastest growing in the State, if not the Nation. There are also many small, unincorporated communities that are struggling to provide clean, affordable drinking water. To try and tackle their relatively small (but hugely significant if you are the ones having to drink this water) problems community-by-community is nearly impossible. To plan and operate regional solutions for these problems, like regional surface water treatment plants, is clearly what is needed.

A lesser-discussed crisis is the one of the loss of wetlands in the San Joaquin Valley. Virtually all of the wetland loss occurred prior to the time when wetland protections came into being with the passage of laws such as the federal Clean Water Act. There are remaining wetlands outside of the state and federal refuges that typically are in private ownership. However, these wetlands are struggling due to the lack of available and affordable water supplies and are at risk to selling out to the development of other uses for these native habitats. Unfortunately, Tulare Basin wetlands have, until very recently, been ignored by the large-scale wetland protection and enhancement efforts such as those in the Sacramento Valley and elsewhere in the San Joaquin Valley. This is one of those "other water needs" that the San Joaquin Valley Regional Water Plan has cataloged and is intending to address and to integrate into the solutions for the region's other water problems.

The need to coordinate the diverse and at times parochial water interests of the San Joaquin Valley is clear. The need for new, integrated solutions to the region's water problems is even clearer. The leadership of the State in partnering with the San Joaquin Valley to address its water needs as well as the other economic needs of the region is finally happening and is poised to make a real difference. The federal government has a real interest to see that this most productive agricultural region of the Nation continues to flourish and to move to a position of sustainability in the management of its water resources. We are in unprecedented times where we are faced with population increases, drought, climate change, endangered species issues, major river restoration programs, and the desire to maintain a certain way of life, that necessitates the need for a well thought out, comprehensive regional water plan. The passage of H.R. 2498 and the funding of the continued development of the San Joaquin Valley Regional Water Plan would be tremendously helpful.

In closing, let me extend my appreciation for the invitation to appear before the Committee today. I appreciate the efforts of our five local congressmen in sponsoring this legislation and for the Committee's consideration of its passage. Thank you.

Mrs. MCMORRIS RODGERS. OK. I would like to yield to my colleague, Representative Nunes, to do the introductions for the next bill.

Mr. NUNES. Thank you. I would like to thank you for holding a hearing on this bill. Myself and Mr. Costa introduced this bill, and I will be very brief because we have a series of votes on the Floor, but then we will come back to hear the testimony n H.R. 2535.

I first want to introduce two people who have spent a lot of time working on this, and one individual in particular is Alec Garfield, who has worked on this now I think for 30-40 years, and he spent his whole lifetime dedicated to providing water for the Tule River Indian Tribe that is just on the eastern side of Tulare County, just east of Porterville.

Mr. Garfield was born and raised on the reservation. He has spent most of his adult life involved with the political aspect of the

Tule River Tribe. He has sat on the Tule River Tribal Council for 25 years and holds the longest tenure for tribal chairman. He is currently serving as the Director of Water Resources Department of Tule River Tribe as well as the Chairman of the Tule River Water Rights Negotiations Team. So I would really like to welcome Mr. Garfield here and I look forward to hearing his testimony when we get back.

I also want to introduce Mr. Larson, who is a third-generation citrus grower in the San Joaquin Valley downstream from the Tule River Indian Reservation. He is also President of the South Tule Independent Ditch Company, a company which supplies water to approximately 50 shareholders in the San Joaquin Valley. Mr. Larson has been working with members of the tribe since 1998 on this, and I know they have put a lot of effort into it.

And I think just to be very brief, Madam Chairman, this is really an important bill. And I know that the Bureau is short of funds to deal with this, but what we are looking at here is an issue where Tule River does have rights to this water and they are willing to work with all the parties. They have all the parties within Tulare County to agree on this legislation as well as myself and Mr. Costa to introduce the bill. So I hope to avoid any type of lawsuit or any type of problem, that if we can move this bill forward, I think it would go a long way to solve a lot of problems ahead of time, be proactive instead of reactive.

With that, we will be back shortly I guess. Thank you. I yield back.

Mrs. NAPOLITANO. Thank you. We are going to recess for votes, and we will return probably in 20 to 30 minutes. Thank you.

[Recess.]

Mrs. NAPOLITANO. The Subcommittee will continue. The Ranking Member was unable to stay, so Mr. Nunes will be sitting in her stead when he returns.

I would like to move on to the testimony on H.R. 2535, and the first witness on that is Mr. Alec Garfield, Director of Water Resources Department for the Tule River Tribal Council in Porterville, and welcome, sir, for your testimony, please.

STATEMENT OF ALEC GARFIELD, DIRECTOR, WATER RESOURCES DEPARTMENT, TULE RIVER TRIBAL COUNCIL, PORTERVILLE, CALIFORNIA

Mr. GARFIELD. Good afternoon, Chairwoman Napolitano and Ranking Member McMorris Rodgers and all the members of the committee. My name is Alec Garfield. I am a member of the Tule River Tribe of Tulare County, California. I served on the Tribal Council for 25 years, 13 as its chairman. I have been working on the tribe's water rights since 1971. Currently, I serve as the Director of Water Resources Department of the Tule River Tribe as well as the Chairman of the Tule River Water Rights Negotiation Team.

With me today is Ryan Garfield, Vice Chairman of the Tule River Tribal Council. I also bring greetings and best wishes from the Chairman, Neil Peyron, and members of our Tribal Council. I am grateful for this timely scheduling of this hearing on H.R. 2535, the Tule River Tribe Water Development Act. We appreciate the

opportunity to appear before the Water and Power Subcommittee supporting H.R. 2535.

The Tule River people are descendants of Yokut Indians, a large group of Native Americans who occupied Silicon Valley in California for thousands of years prior to contact with settlers. With the discovery of gold and California becoming a state in 1850, Congress refused to ratify 18 treaties negotiated with California tribes, including our treaty, the Treaty of Paint Creek of June 3, 1851.

In 1856, a small reservation was established on prime San Joaquin Valley farmland in Tulare County. The location of this original reservation was purposefully selected by the Federal government to provide our tribe with good farmland and water resources necessary to establish a self-sufficient homeland for our people. Within a few years, however, this reservation was stolen from us under fraudulent circumstances by two Federal agents.

In January 1873, President Grant issued an executive order creating a new reservation for the tribe. For over 125 years, we have lived on this reservation, which now includes 58,000 acres of land. The reservation is located on the western slope of the Sierra Nevada Mountains, east of Porterville and lies almost entirely within the South Fork Tulare River Drainage Basin. Because of the failure of the United States to provide adequate water storage and irrigation facilities, we have been unable to reap benefits of agricultural homeland promised to us through the original 1856 reservation.

H.R. 2535 authorizes funding necessary for the Secretary of the Interior to study the feasibility and suitability of constructing a storage reservoir, outlet works and a water delivery system for the tribe's reservation. H.R. 2535 is consistent with and carries out a critical part of the United States trust responsibility to Indian tribes to protect and advance and reserve water rights under the Winters Doctrine.

For several years, the tribe has negotiated with our Federal negotiation team and local water interests represented by the Tule River Association and the South Tule Independent Ditch Company. Very recently the tribe and the local water users reached a settlement which has as its cornerstone the water storage project and delivery system, which will be investigated by H.R. 2535. This settlement is unique. It is one of the very few Indian water settlements ever achieved without a tribe or the United States first filing litigation to secure water rights.

Our current water supplies consist of limited groundwater and springs. These sources have managed barely to serve the current needs of the tribal community on the reservation. There are growing concerns about the long-term reliability of our water supply.

The South Fork Tule River has the potential to provide the tribe with long-term water supply, but the river is unreliable in its natural state. The hydrology of the South Fork is similar to most western rivers in that the flows are generally much higher in the spring months than the rest of the year. Over time too, the hydrology of the South Fork is marked by periods of drought, sometimes spanning several years.

To address these issues, we have spent several years assessing our future water needs. We concluded the tribe could not meet its current or long-term water needs without the construction of at

least one reservoir on the reservation. Given that our reservation sits at the headwaters of the South Fork Tule River, it made perfect sense to us to build a water storage project to capture part of the high flows of the river when downstream users were not diverting those flows. We approached the solution to our problem with the attitude we wanted to work with and not at odds with our downstream and non-Indian neighbors.

After nine years of negotiations, we are very proud of the settlement agreement we have reached. It avoids the cost, delays and disruption of water rights litigation. The eventual construction of a water storage project will enable us to meet our domestic, commercial, municipal, industrial and agricultural needs without disrupting the current water uses of the South Fork Tule River.

We are pleased to report to the Subcommittee that we have gained the endorsement of the National Congress of American Indians and the Southern California Tribal Chairmen's Association. We are disappointed that our Federal trustee is not joining us in securing a brighter future for the Tule River Tribe and its people by supporting H.R. 2535. This bill is the first step in enabling the tribe to bring water to our lands in sufficient quantities to make our reservation a viable homeland now and forever.

I thank the Subcommittee for the opportunity to express the Tule River Tribe's support of H.R. 2535. In closing, I will ask that my testimony and supporting materials be made part of the record of this hearing. I or my associates would be more than happy to respond to any questions which members of the Subcommittee may have.

[The prepared statement of Mr. Garfield follows:]

Statement of Alec Garfield on behalf of the Tule River Tribe of California, on H.R. 2535

Introduction

Good morning Chairwoman Napolitano and Ranking Member McMorris-Rodgers, and fellow members of the committee. My name is Alec Garfield, and I serve as the Director of the Water Resources Department of the Tule River Tribe, as well as the Chairman of the Tule River Water Rights Negotiation Team. I also send greetings and best wishes from Chairman Neil Peyron and all the members of the Tribal Council. We are very grateful for the expeditious scheduling of this hearing on H.R. 2535, the Tule River Tribe Water Development Act. We also appreciate the opportunity to appear before the Water and Power Subcommittee of the House Natural Resources Committee to present testimony supporting H.R. 2535. This bill authorizes funding necessary for the Secretary of Interior to conduct a study on the feasibility and suitability of constructing a storage reservoir, outlet works and a water delivery system on the Tribe's Reservation in Tulare County, California. H.R. 2535 is consistent with and an effectuation of the United State's trust responsibility to Indian tribes, to protect and advance their reserved water rights under the Winters doctrine. Winters v. United States, 207 U.S. 564 (1908).

For several years the Tribe has negotiated with the representatives of the Departments of Interior and Justice, including Interior's Bureau of Reclamation, and local water interests represented by the Tule River Association and the South Tule Independent Ditch Company. Very recently the Tribe and the local water users reached a settlement which embodies the shared goals and visions for the future of the community of parties who live together in the South Fork Tule River watershed. This settlement is quite unique—indeed, it is one of the very few Indian water settlements ever achieved without a Tribe or the United States on its behalf filing litigation to enforce its federal water rights. Despite this unique feature, once the settlement is fully carried out, the Tribe will join other Indian nations in the United States, by turning its "paper" federal reserved rights to water from the South Fork Tule River into actual "wet" water.

We anticipate that this settlement agreement will also be considered in the forthcoming months for Congressional approval. The Tule River Water Development Act, under consideration by you today, is the first step in implementing that settlement agreement. We ask the Subcommittee to favorably and swiftly mark-up and pass H.R. 2535 on to the full Committee. Once enacted and signed into law, H.R. 2535 will enable the Tribe and its neighbors to complete the necessary technical background work to bring the final settlement agreement to life.

The Struggle of the Tule River Tribe to Secure a Sustainable Homeland

Prior to discussing the terms of the bill, I would like to take a brief minute to educate the Subcommittee about the history of the Tule River Tribe and Reservation, to help illustrate the need for The Tule River Water Development Act in our community. I have also attached a two-page historical timeline which chronicles our efforts to secure a sustainable homeland with the necessary water supplies. (Exhibit A.)

The Tule River Reservation is the homeland of the Tule River Tribe. We are descendants of the Yokuts Indians, a large group of linguistically-related people who occupied the San Joaquin Valley in California for thousands of years prior to contact with Euroamerican settlers. Following the discovery of gold, and California becoming a state in 1850, there was enormous pressure on Congress to reject the 18 treaties negotiated with the several hundred Indian tribes found there. Congress relented to this pressure and in 1852 rejected these 18 treaties, including the Treaty of Paint Creek of June 3, 1851, which included leaders from our Tribe. In 1853, however, Congress established the Superintendency of Indian Affairs in California, to relocate Indians to reservations. In 1856, the California Superintendency established our reservation pursuant to the 1853 authority, on approximately 2,240 acres of prime San Joaquin Valley farmland in Tulare County. The land was transected on the southwest corner by the mainstem of the Tule River. It included part of what is today the eastern portion of the City of Porterville. The location of this original Reservation was purposefully selected by the federal government to provide our Tribe with the arable land and water resources necessary to establish a self-sufficient homeland for its people. Upon being promised this land as our homeland—ostensibly forever—we built homes and began to actively cultivate crops. It was a relatively prosperous period of time for our people.

Despite our relative prosperity in those years, two of the federal Indian agents assigned to reservations in the area nonetheless saw fit to capitalize upon the distance and ignorance of the Indian officials in Washington, D.C. Thomas Madden, a federal Indian agent assigned to the neighboring Tejon Indian Reservation, applied for and was issued a land patent under fraudulent circumstances to 1,280 acres of the Tule River Reservation land from the State of California. Four years later under a similar arrangement another land patent for 1,160 acres of Tule River Reservation land was issued to Mr. John Benson, another Indian Agent. These two state land grants encompassed all of our Reservation lands. The federal government was fully aware that these lands were expressly reserved to us, but it made no effort to challenge the Madden and Benson land grants. Because the lands had been set aside for the Tribe, the State of California, of course, had no legal basis upon which to issue the patents. The land transfers were also a violation of the federal Trade and Intercourse Acts, which expressly prohibited Indian agents from having "any interest or concern in any trade with the Indians." Rather than setting aside the issuance of these patents, the federal government actually paid rent to Madden and Benson for at least a dozen years to enable my ancestors to continue farming what was in actuality our land.

Gradually, over the years, hostility increased between the Indian farmers and the settlers in the area. In response to the tension, and rather than enforcing our rights to what should have been our Reservation land, in January 1873, President Grant issued an Executive Order creating a new reservation for the Tule River Tribe. It was comprised of mostly mountainous lands located about fifteen miles to the east of our original Reservation. The Tule River Indians and the Indian agent protested the removal; the new lands would be difficult to cultivate. The Indian agent, J.B. Vosburgh, stated "The new reservation is not suited to the wants of the Indians for whose benefit it has been set apart, if the intention be, as heretofore, to teach them to become self supporting by means of agriculture, the soil of the reservation being insufficient both in quantity and quality for their need." He further requested that the government inquire into the legality of Madden and Benson land patents and, if necessary, requested the federal government to purchase the property from them for the benefit and use of the Indians. However, no such action was taken, and our people were forcibly removed away from their homes and cultivated fields.

The removal was very hard on our people. The new Reservation, though it contained 48,000 acres, was determined by the federal agents, based on the knowledge and technology of the time, to have scarcely 100 acres of arable land. Even that land was deemed by the agents to be of poor quality, and thought to be able to support only six families, far below the needs of our people. An Indian agent reported, "Year by year our number has decreased by death and removal, until now there are only 143 Indians, embraced in 30 different families, residing on the reservation." Our situation was so dire that, in response, President Grant, in October 1873—just 9 months after the initial Executive Order—signed another Executive Order almost doubling the Reservation's size to 91,837 acres. Again, very little of these additional lands were deemed by the federal agents to be suitable for agriculture, and the few acres which were proven arable were coveted or settled by settlers, and history again repeated itself. In August 1878, President Hays issued an Executive Order reducing the reservation back to the January 1873 size.

For over a century, then, we have lived on the Reservation established in 1873, a mountainous land where because of the failure of the United States to provide adequate water storage and irrigation facilities, we have been unable to fully reap the benefits of the agricultural homeland promised to us through the original 1856 Reservation. The Tule River people are a proud people, and I tell this story not to complain or to blame anyone for these past injustices. They do, however, make a compelling argument that now is the time for the United States to help begin the healing process through the enactment of H.R. 2535. H.R. 2535 is the first step in enabling the Tribe to bring water to our lands in sufficient quantities to make our new homeland—not the one promised to us originally in the mid-19th Century—a viable homeland now and forever.

The Modern-Day Tule River Indian Reservation

Today, our current Reservation includes about 58,000 acres. The reservation is located in south-central California, approximately 75 miles south of Fresno and 45 miles north of Bakersfield in Tulare County. The Reservation is situated on the western slope of the Sierra Nevada Mountains, east of Porterville, and lies almost entirely within the South Fork Tule River drainage basin. The topography is generally steep, with elevations ranging from about 900 to 7500 feet above sea level. Most of the inhabited land is along the lower reach of the South Fork Tule River on the western side of the Reservation. The Reservation is drained by the South Fork Tule River. The South Fork Tule River flows into the Tule River at Success Reservoir, at a distance of about ten miles west of the Reservation. There are no significant uses of water upstream of the Reservation. (Exhibit B.)

The estimated average annual flow of the South Fork Tule River at the western boundary of the Reservation is 38,500 acre-feet per year, with a probability of 24,600 acre-feet over 50% of the time, and 11,800 acre-feet available over 80% of the time. Surface water supplies consist of the flow available from the South Fork Tule River and its tributaries on the Reservation, while underground supplies consist of a groundwater aquifer and springs. The groundwater sources have managed barely to serve the current needs of the Tribal community on the Reservation. There are growing concerns about the long-term reliability of these sources, both in terms of quantity and quality. The hydrology of the South Fork is similar to most western rivers in that the flows are generally much higher in the spring months than the rest of the year, other than occasional high water events following rainstorms. Over time, too, the hydrology of the South Fork is marked by periods of drought during which the entire flow of the river is significantly depressed by the lack of rain for long periods of time, sometimes spanning several years. These two general characteristics are depicted on the two graphs attached to this testimony. (Exhibit C.)

The injustices and inequities of the past are still present and are still affecting our people. We have been plagued with unemployment and mortality rates substantially higher, and a standard of living substantially lower, than is experienced by the surrounding non-Indian communities. While the on-Reservation socio-economic conditions have improved over time, as recently as 1999 the estimated poverty rate on the Reservation was still 50% higher than Tulare County as a whole. To this day, the Reservation residents generally continue to suffer from a relatively low standard of living in substantial part due to the absence of an adequate and reliable potable water supply and system.

Contemporary Negotiations to Secure a Reliable Source of Water for the Tribe

To address the inter-related issues of lack of water and resulting economic, political and social limitations facing the Tribe, we have spent several years assessing its future water needs for domestic, commercial, municipal, industrial and agricul-

tural purposes. We concluded that, in view of existing uses downstream of the Reservation, the Tribe could not meet its water needs, especially over the long-term, without the construction of a reservoir or reservoirs on the Reservation. Given that our Reservation sits at the headwaters of the South Fork Tule River, it made perfect sense to us to build a water storage project to capture the high flows of the river when downstream users were not capturing or using those flows.

We approached the solutions to our problems with the attitude that we wanted to work with, and not at odds with, our downstream non-Indian neighbors. Too often—in the more typical situation where a general stream adjudication is commenced in a given state—the Indian and non-Indian interests are pitted against one another. Here, by reaching out to our neighbors with the intent of respecting their needs and looking for solutions to our own, we were able to avoid the costs, delays and disruptions of water rights litigation. We entered into negotiations with interested parties seeking to establish the Tribe's reserved water rights through an agreement settling our federal reserved water rights claims.

For nine years, the settling parties have diligently negotiated the terms of a settlement agreement which, upon Congressional approval, will finally establish the federally reserved water rights of the Tule River Tribe. The negotiations have been very productive. The settling parties have been able to reach an agreement-in-principle on all major issues, including the magnitude of the Tribe's reserved water right, the Tribe's rights to use water both on and off the Reservation, and the operation rules of on-Reservation storage reservoirs, including the near-term Phase I Reservoir primarily intended to serve municipal and domestic water needs. We are very proud of the settlement agreement we have reached, which allows the South Fork Tule River water users to continue their historic uses while providing the Tribe with a firm water supply, primarily for its domestic, commercial and municipal needs.

The remaining major issue prior to submitting the agreement to Congress is securing the support of the Department of the Interior, and the Administration, to authorize and fund the construction, operation and maintenance facilities anticipated by the settlement agreement and to compensate the Tribe for releasing water related claims against the United States.

H.R. 2535 Lays the Foundation for Moving Forward With the Settlement of the Tule River Indian Tribe's Water Rights

Moving to the terms of the bill under consideration today, H.R. 2535 authorizes the Secretary of Interior to conduct a study on the feasibility and suitability of constructing a storage reservoir, outlet works, and delivery system on the reservation. H.R. 2535 also authorizes the appropriation of $3 million to the Bureau of Reclamation to fund the study. The storage facility feasibility study is the most recent step in a several-decades-long effort by the Tribe to secure both title to and quantification of its federal reserved water rights, and to actually deliver "wet" water to our members for domestic, agricultural, municipal, commercial and industrial purposes. Notably, the eventual construction of a water storage project will enable us to meet our needs without disrupting the current water uses of the South Tule River.

As part of our lengthy and detailed negotiations with our neighbors and with the United States spanning the past decade, we have commissioned technical studies of the South Fork Tule River watershed within our Reservation boundaries. This analysis by the firm of Natural Resources Consulting Engineers of Ft. Collins, Colorado and Oakland, California, led us to the present site of a proposed water storage project at the confluence of Cedar Creek and the mainstem of the South Fork Tule River. The site of the proposed project, and the existing and proposed expansion to the Tribe's water service area, are depicted on the map marked as Exhibit D.

In short, the analysis we have commissioned to date, while rigorous and thorough, is not sufficiently detailed to support and justify a final decision to authorize and appropriate federal funds from which to initiate actual construction activities. Thus, the authority and funding delivered through H.R. 2535 would enable the Tribe, acting in concert with the Department of the Interior and its Bureau of Reclamation, to ensure that this Cedar Creek site is the optimal site at which to build the project.

We are pleased to report to the Subcommittee that we have gained the endorsement of the National Congress of American Indians and the Southern California Tribal Chairman's Association, for the enactment of H.R. 2535. Copies of the resolutions of these organizations are also attached to my testimony to be made a part of the record. (Exhibits E and F.) We have also provided the Subcommittee with letters and resolutions of support from the City of Porterville, CA; the Tulare County, CA Board of Supervisors, the Tule River Association and the South Tule Irrigation Ditch Company, and we believe these documents are being made a part of the record of this hearing.

Conclusion

It is now time for our federal partners to join us in securing a brighter future for the Tule River Tribe and its people by supporting H.R. 2535. I thank the Subcommittee for the opportunity to express the Tule River Tribe's support of H.R. 2535.

In closing, I would ask that my testimony and supporting materials be made a part of the record of this hearing by unanimous consent.

I, or my associates here at the witness table with me, would be happy to respond to any questions which the members of the Subcommittee might have.

Ms. NUNES. Thank you, Mr. Garfield.

Next, we have Mr. Larson, President of the South Tule Independent Ditch Company of Porterville, California. Welcome.

STATEMENT OF PHILIP GREGG LARSON, PRESIDENT, SOUTH TULE INDEPENDENT DITCH COMPANY, PORTERVILLE, CALIFORNIA

Mr. LARSON. Good afternoon, Madam Chairwoman and Subcommittee members. It is a pleasure to be here to be able to share this information with you.

My name is Phil Larson. I am a third-generation citrus grower in the area of Success Valley, which is a community downstream from the Tule River Indian Reservation near the city of Porterville. I am also President of the South Tule Independent Ditch Company, a nonprofit mutual water company which supplies water to approximately 50 shareholders in Success Valley by means of a 10-mile-long irrigation ditch.

I am here today to speak in support of H.R. 2535 and to inform the Subcommittee as to the progress, the successful progress of nearly 10 years of water rights negotiations with the Tule River Tribe.

South Tule Independent Ditch Company diverts its water from the South Fork of the Tule River approximately a half-mile downstream from the reservation's western boundary. The ditch company claims rights to water from this fork of the river dating to 1854. These water rights were adjudicated and fixed by a judgment of the Superior Court of Tulare County in the case of Popular Irrigation Company v. A.A. Howard, et al., in 1916. This right was established as 10 cubic feet per second under most circumstances. However, during a typical irrigation season, the South Fork's total flow is often much less. Also, the tribe was not a member to the 1916 case.

In 1922, the Secretary of the Interior of the United States representing the tribe and South Tule Independent Ditch Company entered into an agreement which was intended to definitely fix for all times the respective water rights of the tribe and the ditch company. This agreement established a proportional sharing of available water basically on a 3-to-1 ratio in favor of the ditch company. It did not quantify the Federally reserved water right of the reservation nor address the tribe's right to water storage. It did recognize that South Tule Independent Ditch Company's water rights were initiated at various times between the years 1854 and 1872.

I have found no evidence that the United States considered the water rights of the reservation at the time of its establishment in 1873. The government also failed to consider apparently or evalu-

ate the pre-1873 priority claims of other water users which would be superior to the Federally reserved water rights of the reservation.

It is with this history along with the limited seasonal flows of the South Fork of the Tule River that prompted the tribe to request formal water rights negotiations with the downstream water users in an effort to quantify their water rights for their current and future needs.

Since March of 1998, representatives of the tribe, South Tule Independent Ditch Company, the Tule River Association, riparian users and various governmental stakeholders have been meeting to negotiate an amicable solution to the multiple demands for the limited waters of the South Fork of the Tule River.

An agreement in principle has been reached among the primary water users. The agreement is far more than just a handshake. It is already drafted in its final form, and we expect it to be signed within 30 days. This water agreement was written with the intent of the parties that the water allocations of the 1922 agreement continue to be fulfilled. This would be accomplished through the construction of a water storage facility and distribution system on the reservation which would in simple terms capture winter and spring high water flows for use by the tribe and require the flow-through of the lesser summer and fall river flows.

I and the Board of Directors of South Tule Independent Ditch Company have concluded that the agreement and the tribe's proposed water storage facility is the only practicable solution that will provide the tribe with a sustainable supply of water. We therefore encourage your support and a favorable vote for H.R. 2535 to provide funding for the feasibility study for the tribe's water storage and distribution system.

I would also like to point out on the chart over here just how limited the flow is on that fork of the Tule River during the summer and fall months of the year. It gets at times near zero, if not zero, so it is imperative that water storage be considered as the only practicable solution.

[The prepared statement of Mr. Larson follows:]

Statement of Philip G. Larson, President, South Tule Independent Ditch Company, Porterville, California, on H.R. 2535

Good Morning.

My name is Phil Larson. I am a third generation citrus grower in Success Valley, an area downstream from the Tule River Indian Reservation near the city of Porterville, California. I am also President of South Tule Independent Ditch Company, a mutual water company which supplies water to approximately 50 shareholders in Success Valley by means of a 10-mile long irrigation ditch. I am here today to speak in support of H.R. 2535 and to inform the Subcommittee on Water and Power as to progress of nearly 10 years of water rights negotiations with the Tule River Tribe.

South Tule Independent Ditch Company diverts its water from the South Fork of the Tule River approximately a half mile outside the Reservation's western boundary. The ditch company claims rights to water from this fork of the river dating to 1854. These water rights were adjudicated and fixed by a judgment of the Superior Court of Tulare County in the case of Poplar Irrigation Company vs. A.A. Howard, et al., in 1916. Said right was established as 10 cubic feet per second under most circumstances. However, during the typical irrigation season, the South Fork's total flow is often much less. The Tribe was not a party to this 1916 case.

In 1922, the Secretary of the Interior of the United States, representing the Tribe, and South Tule Independent Ditch Company entered into an agreement which was intended to definitely fix for all times the respective water rights of the Tribe and

the ditch company. This agreement established a proportional sharing of the available water between these two entities. It did not quantify the federally reserved water right of the Reservation, nor address the Tribe's right to water storage. It did recognize that South Tule Independent Ditch Company's water rights were initiated at various times between the years 1854 and 1872.

I have found no evidence that the United States considered the water rights of the Reservation at the time of its establishment in 1873. The Government also apparently failed to consider or evaluate the pre-1873 priority claims of other water users which would be superior to the federally reserved water rights of the Reservation.

It is with this history, along with the limited and seasonal flows of the South Fork Tule River, that prompted the Tribe to request formal water rights negotiations with the downstream water users in an effort to quantify their water rights for the current and future needs of the Tribe.

Since March 1998, representatives of the Tribe, South Tule Independent Ditch Company, the Tule River Association, riparian users, and various governmental stake holders, have been meeting to negotiate an amicable solution to the multiple demands for the limited waters of the South Fork Tule River.

An agreement-in-principle has been reached among the primary water users. It is the intent of the parties that the water allocation agreements memorialized in the 1922 Agreement continue to be fulfilled. This would be accomplished through the construction of a water storage facility and distribution system on the Reservation which would, in simple terms, capture winter and spring high water flows for use by the Tribe and require the flow-through of the lesser summer and fall river flows.

I and the Board of Directors of South Tule Independent Ditch Company have concluded that the agreement-in-principle and the Tribe's proposed water storage facility is the only practicable solution which will provide the Tribe with a sustainable supply of water. We therefore encourage your support and favorable vote for H.R. 2535, to provide funding for the feasibility study for the Tribe's water storage and distribution system.

Thank you.

Mr. NUNES. Could you explain that chart?

Mr. LARSON. Certainly. That chart is an average water flow of the South Fork of the Tule River, and I don't know if you can see the dates at the bottom of the chart, but from about August through November, the water flow is very minor and oftentimes zero if it is a dry year. That chart I think clearly illustrates the requirement for water storage. Absent water storage, there is insufficient water supply for either the tribe or the other uses on this stream of the river.

Mr. NUNES. Thank you for your testimony, Mr. Larson.

Mr. LARSON. You are welcome. Thank you for the opportunity.

Mr. NUNES. Next, we have Mr. Quint from the Bureau of Reclamation.

STATEMENT OF ROBERT QUINT, ACTING DEPUTY COMMISSIONER FOR OPERATIONS, BUREAU OF RECLAMATION, WASHINGTON, D.C.

Mr. QUINT. Thank you. I am actually going to provide testimony on both the bills if that is OK. I am here to provide testimony on H.R. 2498 and H.R. 2535.

H.R. 2498 would direct Reclamation to provide a grant to the California Water Institute located in Cal State, Fresno, to conduct a study and create a regional water management plan. The plan would look at water quality, supply, conveyance and reliability, flood control, water resource-related environmental enhancement and population growth.

While we acknowledge the need for integrated planning by local communities and do support the intent of the bill, we have a couple of concerns and are unable to support the bill at this time.

First, the bill raises budgetary concerns which we have discussed earlier because it directs Reclamation to issue a $1 million grant without reference to a necessary appropriation. This would continue to strain Reclamation's limited budget.

In addition, the bill requires that Reclamation assure that the grant recipient submit a report to Congress within two years without a clear means for Reclamation to ensure that this directive is met.

On H.R. 2535, that would authorize $3 million for a feasibility study to look at the construction of a storage reservoir, outlet works and delivery system for the Tule River Tribe in California. As envisioned, the storage facility would provide water supply for domestic, municipal, industrial and agricultural purposes.

The administration feels that this legislation is premature and cannot support H.R. 2535 at this time. Currently, settlement negotiations are ongoing and not all issues related to the Federal participation have been fully resolved. The outcome of these negotiations may affect the scope, schedule and cost of the feasibility study that is proposed in the legislation. In addition, the legislation does not specify a local cost share for the authorized study. Because of the budgetary concerns and timing, the administration is unable to support this feasibility authorization.

This concludes my verbal remarks, and I would be happy to answer any questions.

[The prepared statements of Mr. Quint follow:]

Statement of Robert Quint, Acting Deputy Commissioner, Bureau of Reclamation, U.S. Department of the Interior, on H.R. 2498

Madam Chairwoman and Members of the Subcommittee, I am Robert Quint, Acting Deputy Commissioner of the Bureau of Reclamation. I am pleased to be here today to provide the Department of the Interior's views on H.R. 2498, a bill to authorize a study on coordinating and integrating sub-regional interrelated regional water management plans into a unified integrated plan in the San Joaquin River and Tulare Lake Hydrologic Regions in the San Joaquin Valley of California.

Ongoing activities in Reclamation's Central Valley Project in California are currently addressing the need targeted by this proposed study. Furthermore, the legislation does not identify a Reclamation funding source for the study and without an additional appropriation, it would be drawn from other existing programs, compromising that work. As such, the Administration does not support H.R. 2498 at this time.

This legislation would direct the Secretary of the Interior, acting through the Bureau of Reclamation, to award a grant to the California Water Institute, not later than 120 days after the date of the enactment of this Act. The Institute would prepare an Integrated Regional Water Management Plan (Plan) for the eight counties encompassed by the two hydrologic basins that would address issues related to water quality, water supply (both surface and groundwater banking, and brackish water desalination), water conveyance, water reliability, flood control, water resource-related environmental enhancement, and population growth.

H.R. 2498 also directs the Secretary to ensure that a report containing the results of the Plan is submitted to this Committee and the Senate Committee on Energy and Natural Resources not later than 24 months after the grant is awarded and authorizes the appropriation of $1 million to carry out the Act.

There are many water supply issues in the San Joaquin Valley and many of these issues have a Federal nexus. It is important for local communities to evaluate and address the future needs and find solutions for potential shortfalls. Through the existing Acts authorizing various units and divisions of the Central Valley Project, Reclamation is already actively working on issues that could be evaluated by the

Plan. These issues include water quality and supply, surface and groundwater banking, water conveyance, water reliability, flood control, and water resource-related environmental enhancement.

Reclamation has concerns about the budget impact of H.R. 2498. H.R. 2498 also does not identify a specific Reclamation program or activity responsible for the Institute's grant. Potential sources include CALFED, Upper San Joaquin River Basin Storage Investigation, San Joaquin River Restoration Program, San Luis Unit Drainage, and the Salinity and Boron Total Maximum Daily Load on the Lower San Joaquin River.

In addition, the legislation does not specify actions Reclamation should take to ensure that the Institute submits a report to Congress within the 24-month timeframe referenced in the bill.

That concludes my prepared remarks. I would be pleased to answer any questions.

Statement of Robert Quint, Acting Deputy Commissioner, Bureau of Reclamation, U.S. Department of the Interior, on H.R. 2535

Madam Chairwoman and Members of the Subcommittee, I am Robert Quint, Acting Deputy Commissioner of the Bureau of Reclamation. I am pleased to be here today to provide the Department of the Interior's views on H.R. 2535, the Tule River Tribe Water Development Act. Due to ongoing settlement negotiations with Tule River Tribe as well as the need for a complete appraisal level study to precede a feasibility authorization, the Administration feels that it is premature to authorize this study and cannot support H.R. 2535 at this time.

This legislation would direct the Secretary of the Interior "to conduct a study on the feasibility and suitability of constructing a storage reservoir, outlet works, and a delivery system for the Tule River Indian Tribe of California to provide a water supply for domestic, municipal, industrial, and agricultural purposes, and for other purposes." The Act would authorize $3 million for Reclamation to conduct a feasibility study to be completed within 2 years after funds are appropriated or the signing of a reserved water rights settlement agreement by the Tule River Tribe and other settling water users, whichever is later. Without a completed appraisal level study, it is premature to authorize this study. The authorization of $3 million for this study would further compete with the funding needs of other already authorized projects. Additionally, the legislation does not specify a local cost share for the authorized study.

Settlement agreement negotiations have been taking place for several years between the Tribe, downstream water users, and the Federal negotiation team regarding the Tribe's federally reserved water rights. These negotiations are ongoing and not all issues have been resolved, including issues relating to Federal contribution. Until the Administration has completed its analysis of the proposed settlement under the Criteria and Procedures for the Participation of the Federal Government in Negotiations for the Settlement of Indian Water Rights Claims ("Criteria") (55 Fed. Reg. 9223 (1990)), which are the framework we use to evaluate settlements, it is premature to take a position upon the scope, schedule, and cost of the feasibility study that is proposed in this legislation. An appraisal level study is also a necessary part of the process; Reclamation generally requires completion of an appraisal level study before considering whether the project warrants continuing to a feasibility-level analysis. Reclamation understands that the Tribe has conducted a substantial amount of reconnaissance/appraisal-level technical, planning, and environmental work over the past decade; however, Reclamation has not reviewed these documents nor determined that they would fulfill the requirements for an appraisal study.

Typically, a feasibility study of this size and shape and National Environmental Policy Act compliance takes from 3 to 5 years to complete with significant costs. Actual costs for this study would be determined via a Plan of Study, which would be developed after study authorization and appropriations are provided. The time and cost to complete the feasibility study and environmental documentation for the Tule River Tribe Water Development Project could be shortened if the Tribe's technical and environmental analyses and documentation are sufficient and compatible with Federal requirements. The costs of a feasibility study are significant and may exceed the $3 million authorization in this bill.

Reclamation understands the importance of a reliable water supply and will continue to work with the Tribe toward this goal in addressing the issues described above.

That concludes my prepared remarks. I would be pleased to answer any questions.

Mr. NUNES. Thank you, Mr. Quint. At this time, I think we will proceed with questions. Are you going to go first, Mrs. Napolitano?

Mrs. NAPOLITANO. You are there. Go ahead.

Mr. NUNES. OK. Well, thank you. All right.

I think we have Mr. Costa's bill, questions on it too, but first I want to thank Mr. Garfield for being here today. Mr. Garfield, could you just testify before the committee on what happens when those flows drop like that? Where does the tribe have to go to get their water?

Mr. GARFIELD. At this time, we have about maybe six wells that serve the reservation community. Every one of those are working during the summer months. We also have one spring that we utilize during the year. But sometimes on a very hot summer, we have to get water from the South Fork Tule River. We just concluded putting in an expansion to our water treatment facility and are getting water from the South Fork, but just a matter of years ago, our wells weren't sufficient in supplying water to the community, and we were out of water during the summer months.

Mr. NUNES. And so you had to truck the water to the reservation?

Mr. GARFIELD. We had to truck the water and some individual families had to buy their water themselves.

Mr. NUNES. Just for drinking?

Mr. GARFIELD. Yes.

Mr. NUNES. Yes. Madam Chairwoman, I think it is important to note that this tribe during certain times of the year runs out of the water, and so that is why this is so important, because they do have the rights to the water. They could have gone the route of the court system, but they have decided not to. They work with all the agencies.

I would like to call on Mr. Larson to just comment on how it has been to work with the tribe, where you think you are at this point in terms of finishing the agreement and what you are waiting for.

Mr. LARSON. Thank you. Actually, the process has been a nearly 10-year process. We came together with some apprehension as to if we were going to be litigating issues, but we came together as a community. We have a common problem. The problem is the limited water supply. We have competing interests in that, but we came together for a solution.

That stream flow constitutes the life blood of our communities, and our communities, our neighbors, so essentially we are the same community under different hats you might say, but the process has been successful. The water users, including Tule River Association, which is the water users downstream from Success Reservoir, agree. I think you have a letter to that statement that they are in support of this finding and that the agreement is ready for final ratification by the various boards to put a signature page on it and it is ready to go. So we are that close with respect to the agreement itself.

Mr. NUNES. Thank you, Mr. Larson.

So, Mr. Quint, you have heard the testimony of Mr. Garfield and Mr. Larson. They have been working very closely with you. They basically say that all that is left is to cross the t's and dot the i's. What is the holdup from the Bureau's point of view and what are

the outstanding concerns? I think it is important to lay those out before the committee so that these gentlemen can figure out what those concerns are and address those concerns so that the Bureau would then be supportive of this language.

Mr. QUINT. Let me address that. The department has a process they go through for all Indian water rights settlement. This is one of 19 the department is currently working on, and once this settlement is all put together, an assessment team does a report. That report then goes through a criteria and procedures process for review by the Indian Water Rights Settlement Office. That then needs to be approved by the department. Then that has to go to OMB for approval. So all those processes need to take place to make sure that this project is what it needs to be. Also during that process, that will determine the appropriate Federal role in this overall settlement.

Mr. NUNES. So I don't know all 19 different tribes that have these issues, but in this case, it seems to be that everyone agrees that the problem needs to be solved. They have worked with all the surrounding community, proper community agencies that need to approve this and are essentially just waiting on the Bureau. So I would hope that you could somehow speed the process up. I mean, this has been a long time in the works.

Mr. QUINT. And we have been involved in the process all the way through and will continue to work with the entities to move this as quickly as we can.

Mr. NUNES. So in OMB, who in OMB brought up concerns with this?

Mr. QUINT. Nobody has yet because OMB has not been involved in this at this point. It is our process for getting settlements approved. It requires that we go to OMB to get their input and review of those.

Mr. NUNES. So how much more time do you think it will be?

Mr. QUINT. I can't give you a specific time because all these vary depending upon the complexity of the problem and where it is, priority and reviews. Typically, these things can take several months, though, to get through that process.

Mr. NUNES. Well, hopefully several months is better than several years.

Just one more question. In those 19, who is the priority? How do you decide who the number one priority is?

Mr. QUINT. I don't have that information with me, but I would be glad to submit that information for the record.

Mr. NUNES. OK. Thank you. I yield back, Madam Chairwoman.

Mrs. NAPOLITANO. Thank you. Mr. Costa.

Mr. COSTA. Yes. Mr. Garfield, how would you describe economic conditions facing the Tule Tribe? I know that Congressman Nunes does a great job in representing your issues and is concerned about the long-term viability of the tribe. But if you could give a little descriptive of the current economic conditions you are facing.

Mr. GARFIELD. One of the big concerns of the Tribal Council over the years has been employment opportunities for the members of the tribe.

Mr. COSTA. Your unemployment level is?

Mr. GARFIELD. At this time, I would say it is probably around 40 to 45 percent. The tribe currently has a small casino on the reservation, which is about maybe 20 miles east of Porterville. We also have an Economic Development Corporation at the City of Porterville's airport. We have 40 acres there that we are trying to develop. We have a small airplane facility there that we are trying to currently license as a charter service for the community.

But I think that part of the problem that we have also is in our planning process, a lot of things that we want to do we need water to do, and without knowing how much water we have or can plan on, that certainly puts a damper on our planning process.

Mr. COSTA. Those below the poverty line, what is your current number that you use that make up the tribe?

Mr. GARFIELD. The tribal membership I believe is probably 1,588 at this time, which includes all men and women and children.

Mr. COSTA. And those below the poverty line?

Mr. GARFIELD. Those below the poverty line, I would say around 50 percent.

Mr. COSTA. So obviously the economic conditions facing the tribe, it has a long history. Your efforts to try to improve the opportunities for future tribe members is really contingent in large part to this proposal providing sufficient water over the long term to sustain the other economic activities for the tribe.

Mr. GARFIELD. That is correct. We currently have about a 200-member waiting list for homes on the reservation.

Mr. COSTA. But you can't build them without water.

Mr. GARFIELD. Correct.

Mr. COSTA. Very good. Mr. Quint, I just want to make reference to your testimony on both bills. It indicates to me, frankly, that there needs to be a better communication, and the Chairwoman spoke of that earlier in her comments with regards to the Bureau's testimony on all three bills today, but I know reference to other legislation. I can understand where you may support in concept or understand the need.

Actually, I believe you have been involved in this effort on the regional study plan as it relates to the San Joaquin Valley, and you have been both at the regional level and understand the importance of it. What you are saying is that you would like the language to have 120 days after appropriations, not authorization, because you want to have the money to further see them continue your efforts with the legislation, is that correct?

Mr. QUINT. Yes.

Mr. COSTA. OK. Well, again, I think the Chairwoman's comment earlier on that if you don't ask for our support financially, it makes it awful difficult for us to give it. And we need to, I think, have better communication as it relates to assessing the challenges we face, whether it is three pieces of legislation we are talking about today or whether it is other efforts that are ongoing that involve the Bureau's jurisdiction. Clearly, water we all understand is the life blood of mankind, and nowhere is that more critically faced than in the West. So we need your focus, we need your support. My time has expired.

Mrs. NAPOLITANO. Thank you, Mr. Costa. I think we might be going a second round, so you might want to start thinking of some-

thing else because I have questions, and I would like to start with my favorite, Bureau of Reclamation.

Mr. Quint, is it necessary for the Secretary to support the proposed settlement in the Tule River situation simply to do the study, and can you tell us how this compares with other studies the Bureau has done and the cost-share for them and can they afford it?

Mr. QUINT. Could you state the question again?

Mrs. NAPOLITANO. Is it necessary for the Secretary to support a proposed settlement in the Tule River situation simply to do the study, and how does that compare to the studies previously done by the Bureau and the typical cost-share for this feasibility study, and do you think the tribe could afford it?

Mr. QUINT. Let me try to address as much of that as I can. Typically, the Secretary has responsibility for approval of settlement agreements throughout the process. Whether that settlement is necessary to be signed before a feasibility study can be done, not always, but since there are still some outstanding issues about what the responsibility and liability of the Federal government is in this case, we feel it is premature to authorize this feasibility study until some of those issues are sorted out.

Mrs. NAPOLITANO. You haven't done other studies with this amount of work already done on them?

Mr. QUINT. We have done some. I don't have all the details of those obviously in front of me, and I know the tribe and the team have done a number of studies, maybe appraisal level is what we refer to them as, already as part of this. We haven't had an opportunity to review those at this point in time, but we would be glad to work with the tribe and with the other stakeholders out there to look at that data and see how close we are to being able to go forward with a feasibility study.

Mrs. NAPOLITANO. And that is a commitment?

Mr. QUINT. Absolutely.

Mrs. NAPOLITANO. Mr. Garfield, your response?

Mr. GARFIELD. Thank you, Madam Chairwoman.

I think that, first of all, the Office of Management and Budget does not have to approve the settlement agreement as we try to move forward on this project.

Second, I think the Bureau of Reclamation mentioned earlier that this event here has not been followed as per the criteria and procedures. The Chairman of the Federal Negotiating Team at that time was Mr. Chris Kenney. He was the Chairman of the team throughout most of that period, and Mr. Kenney was also involved in writing those criterion procedures. He is also here with me today as a technical witness on behalf of the tribe should the committee like to hear from this person.

Mrs. NAPOLITANO. I think that would help this committee to be able to address it, because my next question to Mr. Quint was what is the process in which these settlements are approved by the Federal team, and explain the criteria and procedures for which the settlement is being analyzed.

Mr. Kenney, would you step up?

Mr. KENNEY. Thank you, Madam Chairwoman.

Mrs. NAPOLITANO. Would you identify yourself, sir, please, for the record? Identify yourself.

Mr. KENNEY. My name is Chris Kenney. I am retired from the Federal government as of January 2007. Prior to that time, I was the departmentally appointed Chairman of the Federal negotiation team which involved representatives from the Bureau of Indian Affairs, the Department of Justice and in this case the Bureau of Reclamation.

I think the best way to approach this question, Mr. Quint I think is substantially correct in his statement that the criteria and procedures which were a policy that was established by the department in 1990 was a set of criteria and a structure by which the Office of Management and Budget and the Department of Interior and the Department of Justice could evaluate and take a look at water rights negotiations, any water rights negotiations, and how to evaluate those. They were guidelines that would allow all three agencies to be able to have one common language in approaching all the many varied activities that are involved in any water rights negotiation.

I would take issue with the fact that the criteria and procedures are applied after the negotiations are done. Quite the contrary. Criteria and procedures were established to give guidance to the teams in the field so that they would understand the arena and the structures within which they were to negotiate these settlements.

So I would submit to the Subcommittee that, while the administration has yet to finish its analysis under criteria and procedures, as the negotiation team was going forward, they were mindful of the criteria and procedures and how those would be applied as the administration took a look at the settlement.

Those criteria and procedures have lots of issues and elements in them, but foremost is the appropriateness of a negotiated settlement, which usually is identified when the department decides to put a team in the field. These include whether all the parties that we believe are appropriate to the settlement are at the table so that we know we have all the people that have equities involved available. Also, the criteria and procedures set up equitable ways to take a look at how the settlement is going to benefit the tribe and how it is going to resolve a lot of the problems in the basin.

In my opinion, I think that the settlement agreement that has been finished to date does that and is in a position to serve the needs of all the water users in the basin. I think it is appropriate that the administration take a look at the settlement and tell us what they think. It is time for them to do that because most of the issues have been resolved.

One of the reasons that the tribe and South Tule Ditch would like to see this bill and the monies to do the feasibility study was that this negotiation had less resources available to it than many of the other negotiations because of its size, and we know that the Congress is going to ask for details about the facilities and the arrangements and the structure of the settlement and how it is going to work.

In order for the tribe and even the administration to be able to answer those questions, we need resources to evaluate those issues so that you will have the answers that you request because the administration is going to require as much detail in its evaluation as the Congress I am sure will ask for. Unless the tribe and the local

parties have those resources to do that study, you are not going to be able to get the kind of detail that you need to answer the questions that you have.

Mrs. NAPOLITANO. So it sounds like a Catch-22 boiling down to money.

Mr. KENNEY. It is the United States Federal Government.

[Laughter.]

Mrs. NAPOLITANO. Thank you for your honest answer, sir, and I would like to ask a further question that you might possibly have some answers to, and that is, the Bureau has been dealing with this issue for how long?

Mr. KENNEY. This specific issue? I think it is appropriate to say the Bureau has been with this negotiation from the very beginning. I think it is important to understand that the Bureau was there as one of the resources that the Secretary of the Interior has. The Secretary of Interior is charged with trust responsibility to the tribes. The Secretary has a number of resources available, including the Bureau of Indian Affairs, but he also has a substantial technical resource in the Bureau of Reclamation. And when the Secretary thinks that that is an appropriate resource to apply, then the Secretary uses those resources.

So we have used Reclamation's expertise from the very beginning in a lot of the technical work that we have done. It is also true that as resources become available, the Bureau of Indian Affairs would provide as much resources as they could to the tribes, but I am sure the Chairwoman knows that the Bureau of Indian Affairs has a very broad mandate with Indian Country and sometimes those resources are just not available. So the Bureau of Reclamation is trying to do what the Secretary asks them to do.

Mrs. NAPOLITANO. And I was looking for a timeframe, and from reading some of the testimony, it has been at least nine years.

Mr. KENNEY. Yes, ma'am. We started an appraisal of the potential for the negotiated settlement in 1998. Mr. Larson made reference to the fact that when you don't have litigation the local parties are very cautious because it is a bit more of an open forum. To their credit, they did their homework, they studied, they asked questions, and they found common ground so that they could have a consensus agreement, and that is to be applauded.

Mrs. NAPOLITANO. And I am sure the Subcommittee also agrees to that. But in your expert opinion as a former member of the Bureau's team, what would you feel is the timeframe to be able to get this accomplished if everybody were to come to the table?

Mr. KENNEY. I think that the timeframes that have been put forward are reasonable. I have been gone for about six months, but my understanding is the Department of Justice still has some legal analysis that they traditionally do in these water rights settlements. I don't think there is any reason why they shouldn't be able to do that in the next 30 to 60 days at the most.

I know all the parties are ready to move forward because they have resolved their major issues, and except for some of these more demanding details as far as the technical questions that will arise around a storage facility and distribution facilities and how the river is going to perform when we put those facilities in place, I

think that most of the major issues are done and we could see an agreeable consensus settlement within the next 30 days.

Mrs. NAPOLITANO. Thank you very much for stepping up to the plate and I appreciate your input, sir.

Mr. KENNEY. You are very welcome.

Mrs. NAPOLITANO. Thank you so very much. I will continue in a second round. Mr. Costa.

Mr. COSTA. Just a couple quick questions to H.R. 2498 to my witnesses, who again I want to thank for coming all the way from California for the hearing today, and you can both comment on this if you want. Mr. Moss, you might begin.

I described in my opening statement the fact that we are in a perfect storm, and that is that Mother Nature gave us a tremendously dry year last year and then, of course, with the reduction of water availability as a result of the San Joaquin River restoration that you are familiar with as well as the Wanger decision that took place in August. Describe the impact, the long-term impact of the loss of water over the last 17 years notwithstanding whatever merit that water, the redirection of that water may have taken in terms of what is the fastest-growing region in California?

Mr. MOSS. A couple of things come to mind. One is relative to the short-term. It is on the verge of panic in much of the valley right now for those growers who are farming lands with tenuous water supplies, especially permanent plantings where they really don't know where their next water supply is going to come from.

Much of the state water project's intent, much of the Central Valley project's intent was to provide a balanced water supply to the region, enough water to meet the long-term needs of the region, and that clearly is not the case anymore. We have been borrowing from our savings account. Our savings account is the groundwater, and it tells our balance on an ongoing basis of how good a job of water management we are doing, and it is going down. There is no question about that. It is a critically overdrafted area, and the consequence of that is eventually we will be in litigation.

I mean, we have heard a lot this morning about trying to avoid litigation, but an adjudication of the groundwater basin is clearly in the offing as people chase groundwater down and it becomes economical to pump. So on a long-term basis, it is not a good picture. We need more water for the region to sustain our growth.

Mr. COSTA. For the population growth in the cities and to maintain the farms?

Mr. MOSS. Absolutely. All of our cities are dependent, virtually all of them are dependent upon a depleting groundwater source, and quite frankly, I am concerned that they won't be able to find that they have a long-term sustainable supply to support new development. People want to put holes in the ground to support new subdivisions and are not able to.

Mr. COSTA. Well, we have legislation I passed on the state legislation years ago a requirement that local entities have to first identify their water source before they provide a will serve letter to allow the permit for the building to take place under the theory that you don't build a subdivision without building the roads.

Mr. MOSS. Right.

Mr. COSTA. Why would you build a subdivision without making sure you have the water?

Mr. MOSS. Well, that legislation has served, quite frankly, as a wake-up call to a lot of our communities. For example, I just finished helping the City of Porterville with their urban water management plan, and they are projecting that they need to have new surface water sources to meet all of their future growth.

Mr. COSTA. The City of San Diego, I understand, attorney talked about a potential moratorium in light of the Wanger decision.

Mr. Green, before my time expires, you want to quickly comment?

Mr. GREEN. Yes. Thank you, Congressman.

It is not a very well-kept secret, but there is a private water transfer process that occurs as a result of scarcity, and I can report reliably that water went up to $500 an acre foot for water that was needed to be put on permanent crops this past summer, and that is a real stiff bill to pay for irrigated agriculture.

Mr. COSTA. I understand. I would just make a comment to my friend with the Bureau as it relates to their earlier questioning on the Tule River and the length of time. I am just trying to understand the logic of this.

Parties cooperate, they don't litigate, and it takes longer, so am I to deduce that if in fact people sue you that you act quicker? That is a rhetorical question, but frankly, it makes no sense. If folks are working with you that you wouldn't want to expedite the process and reward good behavior as opposed to putting that on the back burner, so that is one of the other things that I will add to my list.

Thank you very much. I yield the balance of my time.

Mrs. NAPOLITANO. Thank you, Mr. Costa.

I have a couple of questions and then I will defer to Mr. Nunes. To Mr. Green and Mr. Moss, what is your view of this assertion that the Bureau is fulfilling this need already?

Mr. MOSS. I quite frankly make a living out of interfacing with the Bureau of Reclamation on behalf of a number of clients, and they try very hard. Unfortunately, they are not that successful in terms of making CVP supplies a resource that can be used in an integrated fashion in some of this planning that we need to do and some of the implementation of those plans.

It is very hard, for example, to do water transfers where we can move water to its highest and best use on a cooperative basis. Another example would be groundwater recharge and banking programs. The Central Valley project in 1992 proposed groundwater banking for the CVP, and we have yet to get rules and regulations to implement groundwater banking, and still waiting, which makes it very difficult to know how to put together groundwater banking program, which is everybody's solution for new storage in the San Joaquin Valley. Supported broadly, but yet we can't use Federal water, have difficulty in using Federal water to do so.

Mrs. NAPOLITANO. Mr. Quint, the same to you.

Mr. QUINT. In reading the language of the bill, we currently feel like a lot of the objectives of the bill are being met through other avenues out there, the various other authorities out there. So we respectfully disagree. The intent of it is good, but we figure most of those things are already being covered.

Mrs. NAPOLITANO. You heard Mr. Moss indicate that there are certain provisions that are not being addressed. Am I correct, sir? That is what I was asking.

Mr. QUINT. And we would be glad to talk with him and work with him in understanding that better.

Mrs. NAPOLITANO. Would you ensure that this Subcommittee also gets a copy of that update, please, sir?

Mr. QUINT. Certainly.

Mr. COSTA. Madam Chairwoman, if you would yield for a moment.

Mrs. NAPOLITANO. Yes.

Mr. COSTA. Mr. Quint, I beg to differ with you. The problem is, yes, you have certain water districts that are doing different things within their area, but there is no coordination in a regional effort, and it is a region, and we get dewatered or we get water reallocated as a region, not on a district-by-district basis.

So while it is accurate for you to say that some of this is taking place on a district-by-district basis, I would say it is very vague in terms of the degree, Madam Chairman. But the fact of the matter is, while we act locally oftentimes, we have to act as a region. That is what the CALFED record of decision stipulated. It is very difficult to get all these water agencies to act as a region. They don't have the umbrella of the Metropolitan Water District that brings everybody together.

So for you to say, yes, some of this stuff is being done, well, yes, some of this stuff is being done, but there is no effort to coordinate that area in an eight-county basis.

Thank you, Madam Chairman, for yielding.

Mrs. NAPOLITANO. Thank you. Mr. Nunes.

Mr. NUNES. Thank you, Madam Chairwoman. I just want to follow up on Mr. Costa's question there.

Mr. Quint, I do want to say please ask the political appointees down there at the Interior Department to come out of hiding and come and testify. This is an important issue, and I know that they put you in a very awkward situation. But there is no question that in fact, no one is paying attention to the very points that Mr. Moss brings up, which is that in parts of the San Joaquin Valley, you have a massive overdraft of the water supply, which is why Mr. Costa and the rest of the valley delegation have said, look, we have to look at this because no one is doing this work, and if we don't start doing this work, we are going to have major environmental problems because of this problem of the overdraft of the groundwater aquifer.

So I hope that you will take this message back to your people over there that are hiding in the Interior Department, ask them to come out of their hole. These political appointees should not be sending you up here. They are supposed to make tough decisions, and they have made some tough decisions that I hope you will take this back too also, that without, and I don't want to get in the San Joaquin River fight here, but the San Joaquin River settlement, which has not been implemented by this Congress, has now been funded. They are funding that settlement as you speak. You guys have put a contract out there on this and you are funding it.

I think it is outrageous because you are going to take an additional 22 percent of Class 2 supply and 8 percent of Class 1 supply, and I think, Mr. Moss, I mean, if you can comment on this. If you take 22 percent of Class 2 supply and 8 percent of Class 1 supply, what is it going to do to the groundwater table in the east side of the San Joaquin Valley?

Mr. MOSS. Well, every acre foot of surface water that you remove from the system is another acre foot of overdraft. It directly equates.

Mr. NUNES. It just adds to the problem.

Mr. MOSS. It makes it significantly worse.

Mr. NUNES. And in your opinion, I mean, no one is looking at this right now. That is why Mr. Costa has tried to bring this plan forward, because no one is dealing directly with this problem.

Mr. MOSS. Not in an integrated comprehensive way across the valley. You are right. There are groundwater management plans under state law that many districts are implementing and looking at, but nobody has that big picture, broad San Joaquin Valley view that we will look at all of these problems in an integrated fashion, and that is what this effort is all about.

Mr. NUNES. All right. Well, I just want to thank Mr. Costa for his leadership on this effort, and I am glad to be a part of it, and Mrs. Napolitano, thank you for having me back at your committee. It is great to be back.

Mrs. NAPOLITANO. Thank you, sir, and I appreciate that. A few other questions and then I will be done with this, and these questions will be for Mr. Green and Mr. Moss. How does the Federal funding authorization fit in the state and local funding? They maintain that there is no match, no support.

Mr. GREEN. Well, we beg to differ. In my testimony, I had an attachment that showed a map that represents what is happening in the State of California. As the Subcommittee is undoubtedly aware, California has passed a number of bond issues that have significant—yes, that is the map. There are a number of bond issues that have invested heavily in water in California, 1350, 84, 1E, and now there is another one being proposed in the very near future.

And if you look at that map down in the left-hand corner, there is specific funding designated for the San Joaquin Valley, the San Joaquin River Hydrologic Region and the Tulare Lake Region for the total amount of $117 million, and that is for integrated regional planning to do the very thing that we are discussing today.

What we are asking for is to assist in the facilitation process to spend some of that money. And at California Water Institute of Fresno State, we have already received a seed grant of $167,000 from the Governor's Partnership for the San Joaquin Valley. He has commissioned a more holistic approach to the problems in the San Joaquin Valley, much like the Federal Interagency Task Force that has worked on the San Joaquin Valley for a number of years. In fact, those two processes are being merged to the extent we can.

So we already have at the California Water Institute some money to proceed on this. We have also invested our time and energy in talking with the California Department of Water Resources. They have made some preliminary commitments, and we

intend to fully match the $1 million with funds from the State of California to assist in this facilitation effort.

Mrs. NAPOLITANO. And the relationship between your process and the California's Bulletin 160 water planning process?

Mr. MOSS. I might address that. The Bulletin 160 process occurs once every five years and really takes a snapshot of how the state in its entirety is doing in making its water supplies meet its needs, so it is a look at the needs and a look at the available supplies to see how well they are matching up. It really isn't a plan of action, and the integrated regional plan that we are intending to put forward is one which will define actions and activities that go on to meet our San Joaquin Valley needs. So one is a snapshot and the other is an action plan.

Mrs. NAPOLITANO. But how does the study prepare for water changes both because of climate change and the company decreases in the water supply and then of course a drought?

Mr. MOSS. Those are all issues that add to the list of things that we need to deal with and will have to be addressed as part of our integrated regional planning efforts. The potential of climate change to call for the reoperation of our rivers, of our dams to provide more flood protection is a real concern for the water supply folks, and that is why we need to have ongoing discussions between the flood control interests and the water supply interests on an integrated fashion to be able to address these issues. Otherwise, there is the potential for somebody's ox to get gored for the benefit of someone else, and we have to work those issues out regionally and locally.

Mrs. NAPOLITANO. Would you then think that Congressman Costa's bill of being able to bring everybody to the table would be helpful in being able to address some of those concerns?

Mr. MOSS. Absolutely. It is the only thing that is out there right now in terms of the region truly acting on an integrated fashion.

Mrs. NAPOLITANO. Is there any precedent for such a study? Have you heard?

Mr. MOSS. Well, kind of the model that everyone is trying to follow is the Santa Ana River Watershed Project model, the SAPA model that really took interests that were pretty diverse and in the middle of litigation, and quite frankly, my understanding is they got tired after 15 or 18 years of litigation to start working cooperatively and created their integrated regional water management plan, and that is the model, quite frankly, that most of the state now is trying to track, including ourselves.

Mrs. NAPOLITANO. Well, thank you so very much for your assistance in giving the testimony that sheds more light onto these pieces of legislation.

Mr. Costa, any further? Mr. Nunes, any further?

Mr. COSTA. Three good bills, that is what I think.

Mrs. NAPOLITANO. Did you hear that, Mr. Quint?

Mr. QUINT. Yes, ma'am.

Mrs. NAPOLITANO. Thank you, sir, and they know they are on the hot seat when they come into this committee, so that is nothing new to them. I know it is not your fault and I know that it goes further up, but we need to impress upon the administration and all in DOJ, OMB and BOR and Interior the importance of preparing

our communities for global warming and the drought cycles that we are facing and the 100-year proposed or projected hotter weather.

Somehow this is now being equated with economy, with peoples' health, with just a whole slew of things, and you can hear the same thing over and over again. I hear it every committee hearing, and somehow we need to bring everybody to the table and begin to look at how we can work together to increase the budget and put priorities on those areas that are going to be specifically in dire need of assistance.

This concludes the Subcommittee's legislative hearings on H.R. 123, on H.R. 2498 and H.R. 2535. I thank all of our witnesses for being with us and for traveling to be with us to offer their perspectives on these three bills. Your expertise has been very helpful, and you have shed a lot of light on some of the issues that we have gone through.

Under Committee Rule 4[b], additional material for the record should be submitted within 10 business days after today, and appreciate your cooperation and the witnesses by responding as promptly as you may.

The hearing is now adjourned. Thank you.

[Whereupon, at 1:03 p.m., the Subcommittee was adjourned.]

[Additional material submitted for the record follows:]

Chronology of Events Affect CVP/SWP Water Supplies

1992 — Enactment of CVPIA

Section 3406(d) — Reallocated water from south-of-Delta CVP ag service contractors to Level 2 Refuge Supplies: 156,000 acre-feet

1994 — Bay-Delta Accord

South-of-Delta CVP and SWP contractors agreed to dedicate, on a temporary basis, water to Delta fisheries restoration: 500,000 acre-feet for both CVP and SWP contractors in a dry year. The Accord provided that management of CVP water under the Accord to be counted toward section 3406(b)(2) obligation. (Reduced south-of-Delta CVP and SWP contract reliability by approximately 25%)

1997 — Decision on Implementation of CVPIA section 3506(b)(2)

November 1997 and subsequent decisions prescribed management of section 3406(b)(2): 183.000 - 275,000 acre-feet. (Reduced south-of- Delta CVP contract reliability by an additional 10- 15%.)

2000 — Trinity River Record of Decision

Prescribed new flow criteria for Trinity River: 100,000 - 600,000 acre-feet depending on year type (Average supply reduction for south-of-Delta CVP contractors approximate 5% (91,500 acre-feet).)

2006 — Proposed San Joaquin River Restoration Agreement Impact - 165.000 acre-feet.

2007 — Wanger Decision

Prescribed additional actions to protect Delta smelt: Water cost uncertain, but projections for 2008 south-of-Delta CVP contract allocations are 10 - 45%, with similar to greater reductions in allocations for SWP contractors. (Est. - 900,000 to 1 Million acre-feet)

Impacts of Wanger Decision on other regions.

- Southern California estimated to be losing 12% of their supply in a wet year and up to 37% in a dry year.
- Santa Clara likewise is estimated to lose 12% in a wet year and up to 37% in a dry year of their State contracted water. Santa Clara has the distinction of being impacted by both State and Federal Contracts, so there will be loss on the Federal side as well.

- Areas such as East Bay Mud and Contra Costa who receive supplies from the Delta will be unaffected.
- San Francisco which sources its water supply from the same tributary system north of the Delta that the exporters rely on will have no impact.
- The near 1800 unscreened in-Delta diversions taking as much as 5000cfs during peak months are not addressed.
- Power plants take up to 3200cfs on an on-going basis through unscreened diversion. (Status and Trends of Delta -Suisun Services, DWR May 2007, pg 18,19) Not addressed.

[A letter submitted for the record on H.R. 123 by Charles P. Fuentes, City Manager, City of Pico Rivera, California, Frederick W. Latham, City Manager, City of Santa Fe Springs, California, and Steve Helvey, City Manager, City of Whittier, California, follows:]

August 16, 2007

The Honorable Grace F. Napolitano
Representative, 38th District of California
1610 Longworth Building
Washington, DC 20515

SUBJECT: WATER QUALITY PROTECTION PROJECT (WQPP) AND H.R. 123

Dear Congresswoman Napolitano;

For nearly 30 years, the federal government and local water agencies have been working to address an underground plume of contaminated -water that has been slowly moving southeast from the Upper San Gabriel Valley region, which is a Superfund site. The contamination resulted from the release of volatile organic compounds (VOCs), e.g., chemicals for degreasing, dry cleaning, metal cleaning, etc., into the soil.

According to the United States Environmental Protection Agency (USEPA), the initial discovery of contamination occurred in 1979. USEPA began investigating groundwater in the Whittier Narrows area of the San Gabriel Superfund sites in the late 1980s. A remedial investigation/Feasibility Study was completed in 1992. During 1997-98, increasing VOC concentrations led to additional fieldwork by USEPA.

Whittier Narrows Operational Unit (WNOU)

Design of a remedial facility in the Whittier Narrows area was completed by USEPA in 2001. Construction of extraction wells, conveyance pipelines, and a treatment plant began in 2001 and was completed in May 2002. The treatment facility was designed to clean up contamination in the Whittier Narrows and to prevent contaminated groundwater from moving into the Central Basin.

However, even before construction of the WNOU treatment plant began, groundwater monitoring data showed that the level of PCEs (tetrachloroethylene) exceeded the maximum contaminant levels (MCL) in wells south of the Whittier Narrows Dam, i.e., the underground plume of contaminated water had already migrated past the site of the WNOU's extraction wells. Moreover, the WNOU treatment plant did not become fully operational until December 2005. (The City of Whittier receives the treated water from the WNOU treatment facility.)

The San Gabriel and Rio Hondo Coastal Spreading Grounds are located south of the Whittier Narrows Dam and are adjacent to the cities of Pico Rivera, Whittier, and Santa Fe Springs. These spreading grounds, operated by Los Angeles County, utilize storm water, imported water and recycled water to replenish the groundwater supply in the Central Basin. Thus, we have been concerned for many years that the source of the cities' drinking water could be contaminated by the underground plume of contaminated water migrating south from the Whittier Narrows area.

Water Qualify Protection Project (WQPP)

The Southeast Water Coalition (SEWC), a joint powers authority, was formed by local cities and the Water Replenishment District (WRD) in 1991 to improve the quality and quantity of the regional water supply. The Cities of Pico Rivera and Whittier are founding members of SEWC. SEWC was then, and is now, very concerned about the passage of the underground plume into the Central Basin and the Montebello Forebay.

SEWC approached Central Basin Municipal Water District (CBMWD) several years ago and requested the District's assistance regarding this issue. CBMWD was

able to obtain $10 million in funding from the federal Bureau of Reclamation for the WQPP, which meant that local cities did not have to pay for the project.

The WQPP was constructed to monitor and intercept water entering the Central Basin from the Upper San Gabriel Valley region. CBMWD designed and constructed two extraction wells, a treatment facility, and distribution lines, all located in the City of Pico Rivera. Each of the three cities entered into agreements with CBMWD regarding purchase of treated water from the WQPP project. Under the agreement, the Cities agreed to convey a certain amount of its water rights to the CBMWD, which pumps the conveyed rights from the extraction wells and treats the pumped water.

For example, the City of Pico Rivera agreed to take a maximum of 2,800 acre-feet (AF) of water from CBMWD each year for 10 years at a cost of $40 per AF. In addition to this fee the City also pays a fee to WRD for every AF pumped.

In October 2004, CBMWD received its domestic drinking water permit from the State to distribute the treated water to the cities of Pico Rivera, Santa Fe Springs and Whittier. Distribution began in December 2004.In May 2007, after nearly three years of operating the WQPP, CBMWD announced that, due to the cost of operating the WQPP, it would cease water production. CBMWD cited two reasons for the stoppage in production: the Levels of VOCs that were originally cited to be a concern had not exceeded allowable levels for the last two years; and, operating costs were much higher than expected.

After initial discussions with the three cities, who remain concerned about the potential threat to groundwater in the Central Basin, CBMWD agreed to work with the cities regarding formation of a joint powers authority (JPA), comprised of the three cities, that would own and operate the WQPP. The three cities have three months to determine the viability of a JPA, including whether additional customers for WQPP water could also be identified. In addition, during that three-month period, CBMWD would operate the WQPP facilities with the cities paying $250 per AF. CBMWD would pay for any net operating losses.

Groundwater monitoring data from the WQPP shows that allowable levels of VOCs have not been exceeded during the last two years; however, the prudent course would be to continue operating the WQPP due to the potential harm to the Central Basin and the Montebello Forebay from the underground plume of contaminated water. For example, as recently as January 2005, the level of PCEs (tetrachloroethylene) exceeded the MCL.

The 2001 Design Report for the WQPP states (Page 1-3):

It is estimated that continuous pumping would be required for S to 7 years assuming that EPA begins operation of the containment extraction wells in the Whittier Narrows within 2 years.

However, the WNOU treatment facility did not become fully operational in 2003; as stated previously, that occurred in December 2005, after the WQPP became operational. Again, given the substantial federal investment in both WNOU and WQPP, if the WQPP facility is shut down, and MCLs are exceeded in the future in the area south of Whittier Narrows Dam, it would leave the cities with no recourse and would threaten water quality in the Central Basin.

Although the cost of WQPP water would still be significantly higher for the cities of Pico Rivera, Santa Fe Springs and Whittier than the current $40 per acre-foot, it would still remain lower than the cost of imported Metropolitan Water District (MWD) water, which is currently $527 per acre-foot and scheduled to increase to $557 in January 2008. In addition, if the member cities of the JPA cannot use all the treated water available from the WQPP, other local water agencies, e.g., Pico Water District, which serves 1/3 of the City of Pico Rivera, would be able to purchase water for less than the MWD rate.

Therefore, on behalf of the cities of Pico Rivera, Santa Fe Springs and Whittier, we strongly urge inclusion of additional federal funding for operation of the WQPP in H.R. 123, which is before your committee. Note: it may be necessary for such funding to "pass through" CBMWD to the JPA in the first year, but in subsequent years, the funding could go directly to the JPA.

Sincerely,

Charles P. Fuentes
City Manager, City of Pico Rivera

Frederick W. Latham
City Manager, City of Santa Fe Springs

Steve Helvey
City Manager, City of Whittier

cc: Art Aguilar, General Manager, CBMWD

[A letter submitted for the record by The Honorable Owen Newcomer, Mayor, City of' Whittier, California, follows:]

City of' Whittier
13230 Penn Street
Whittier, California 90602-1772
(562) 945-8200 www.cityofwhittier.org

July31,2007

The Honorable Grace Napolitano
Congresswoman, 38th District
1610 Longworth House Office Building
Washington, DC 20515

Dear Congresswoman Napolitano:

We are seeking your support for inclusion into H.R. 123 funds for the Water Quality Protection Project constructed and operated by Central Basin Municipal Water District. The WQPP, which has been the recipient of federal funding throughout its existence thanks largely to your efforts, is essential to protecting the groundwater quality of the Central Basin.

The WQPP was constructed to monitor and intercept water entering the Central Basin from the highly contaminated Upper San Gabriel Valley region, which is a Superfund site. The project came about when the Southeast Water Coalition, a consortium of cities which utilize groundwater in the Basin, realized that if such contaminated water were to reach the Basin's spreading grounds in Pico Rivera, the results could be catastrophic for some cities. The Central Basin is blessed with a good supply of quality groundwater for our residents. If contamination of the Basin water was to occur, the results would be a scarcity of drinking water that would force us to rely on more expensive, lower quality imported water that is subject to supply shortages during this time of drought.

Additional funding is needed now to keep the WQPP going to protect our Basin's water supply. Since the main EPA wells intercepting pollution in the Upper San Gabriel Valley have been running for a relatively short time, it is too early to determine when, if and how much contamination may yet enter our Basin. The WQPP will ensure that this area's spreading grounds will remain clean and safe and that our-residents can be-assured of a safe, clean water supply.

We thank you for your consideration to include additional funding for the WQPP in H.R. 123. Please feel free to contact our City Manager, Steve Helvey, at (562) 464-3301 if you need any further information.

Sincerely,

Owen Newcomer
Mayor

[A letter submitted for the record on H.R. 2498 by David Reynolds, Director of Federal Relations, Association of California Water Associations, follows:]

Association of California Water Agencies

Since 1910

The Honorable Jim Costa
U.S. House of Representatives
1314 Longworth House Office Building
Washington, DC 20515

September 24, 2007

Dear Representative Costa,

The Association of California Water Agencies (ACWA) is pleased to support your HR 2498. As you know, ACWA's 447 public agency members are collectively responsible for 90 percent of the water delivered in California for residential, agricultural and industrial purposes.

Regional water management efforts have long played a key role in meeting the state's water needs. Today, they are assuming even greater importance as individual agencies and communities forge partnerships to diversify their water supplies, improve water quality and reliability, enhance environmental stewardship and increase flexibility to better cope with droughts, floods and other uncertain future conditions. As you know, integrated regional water management plans generally include a mix of infrastructure improvements, environmental enhancements, and programs such as water recycling, water use efficiency, groundwater management and conjunctive use, water transfers and exchanges, flood protection, and watershed management. By pursuing these strategies and integrating efforts across jurisdictions where appropriate, regions can maximize their investments, make more efficient use of available resources and better coordinate information among all local governments.

The development of integrated regional water management plans are identified in ACWA's "No Time to Waste: A Blueprint for California's Water" as a priority area for our state's water system. In the wake of the recent court rulings regarding the Delta Smelt, California is beginning to face new and heightened challenges in meeting water supply demands. Integrated regional water management plans will be another important tool to ensure a clean, reliable water supply.

Again, ACWA is pleased to support HR 2498 and working together with our members statewide, will encourage the rest of the Congress to do the same. Please do not hesitate to contact our office at 202-434-4760 if we can be of any assistance to you.

Sincerely,

David L. Reynolds

David Reynolds
Director of Federal Relations

Cc: Chairwoman Grace Napolitano

[A letter submitted for the record on H.R. 2535 by R.L. Schafer, Tule River Association, follows:]

SECRETARY-WATERMASTER:
RICHARD L. SCHAFER
MEMBER AGENCIES:
PIONEER WATER COMPANY
VANDALIA IRRIGATION DISTRICT
PORTERVILLE IRRIGATION DISTRICT
LOWER TULE RIVER IRRIGATION DISTRICT
DOWNSTREAM KAWEAH & TULE RIVERS ASSOCIATION

September 21, 2007

Subcommittee on Water & Power
1522 Longworth House Office Building
Washington, DC 20515

Attn: Mrs. Grace F. Napolitano, Chairwoman

Re: HR 2535, Tule River Tribe Water Development Act

Dear Chairwoman Napolitano:

The Tule River Association, representing all water rights holders at and below Success Reservoir, have been engaged for the past nine years, along with the South Tule Independent Ditch Company and riparians along the South Fork Tule River, with the Tule River Indian Tribe in the negotiation and settlement of the reserved water rights of the Tule River Indian Reservation.

We are pleased to inform you that the Tule River Association fully supports HR 2535, and as of 16 August 2007 accepted and agreed to the terms and conditions of the "Tule River Tribe Reserved Water Rights Settlement Agreement Among the Tule River Indian Tribe, the Tule River Association and the South Tule Independent Ditch Company" (Settlement Agreement). The Settlement Agreement quantifies and establishes all of the reserved water rights of 5,828 a.f. per year of South Fork Tule River water to the Tule River Indian Reservation for the reasonable and beneficial uses on the Reservation.

Although the Agreement has not been executed by the parties, ratified by the Congress or the United States District Court for the Eastern District of California, the parties to the Agreement have accepted and approved the Settlement Agreement.

We would appreciate your accepting this letter in lieu of personal testimony and request that the letter be entered in the record during the hearing to be conducted 25 September 2007 on HR 2535.

Very truly yours,

R. L. Schafer

RLS/mep

cc: Congressman Devin Nunes
Congressman Jim Costa
Congressman George Miller
TRA Directors
Alec Garfield, TRTC
Tom Rodgers

[A letter submitted for the record on H.R. 123 by Hon. Joseph D. Serrano, Mayor, City of Santa Fe Springs, California, follows:]

City of Santa Fe Springs
11710 Telegraph Road * CA * 90670-3679
(562) 868-0511 * Fax (562) 868-7112 * www.santafesprings.org

August 3, 2007

The Honorable Grace Napolitano
1610 Longworth House Office Building
Washington, D.C. 20515
Attention: Dan Chao

Subject: H.R. 123—Water Quality Protection Project

Dear Grace:

We are seeking your support for inclusion into H.R. 123 funds for the Water Quality Protection Project constructed and operated by Central Basin Municipal Water District. The WQPP, which has been the recipient of federal funding throughout its existence thanks largely to your efforts is essential to protecting the groundwater quality of the Central Basin, particularly for our City.

The WQPP was constructed to monitor and intercept water entering the Central Basin from the highly contaminated Upper San Gabriel Valley region, which is a Superfund site. The project came about when the Southeast Water coalition, a consortium of cities which utilize groundwater in the basin, realized that if such contaminated water were to reach the Basin's spreading grounds in Pico Rivera the results could be catastrophic for cities such as ours. The Central Basin is blessed with a good supply of quality groundwater for our residents. If contamination of the basin water was to occur the results would be a scarcity of drinking water that would force us to rely on more expensive, lower quality imported water that is subject to supply shortages during this time of drought.

Additional funding is needed now to keep the WQPP project going to protect our basin's water supply. Since the main EPA wells intercepting pollution in the Upper San Gabriel Valley have been running for a relatively short time, it is too early to determine when, if and how much contamination may yet enter our basin. The WQPP will ensure that this area's spreading grounds will remain clean and safe and that our residents can be assured of a safe, clean water supply.

We thank you for your consideration to include additional funding for the WQPP in H.R. 123. Please feel free to contact Fred Latham, City Manager if you need any further information.

Respectfully,

Joseph D. Serrano, Sr.
Mayor

cc: Honorable City Council
Fredrick W. Latham, City Manager
Donald K. Jensen, Director of Public Works

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