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RECLAMATION WASTEWATER AND GROUNDWATER STUDY AND FACILITIES ACT

SEPTEMBER 29, 2000.—Ordered to be printed

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Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany S. 2195]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 2195) to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Truckee watershed reclamation project for the reclamation and reuse of water, having considered the same, reports favorably thereon with an amendment and an amendment to the title and recommends that the bill, as amended, do pass.

The amendments are as follows:

1. Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. TRUCKEE WATERSHED RECLAMATION PROJECT

(a) AUTHORIZATION.—The Secretary of the Interior, in cooperation with Washoe County, Nevada, may participate in the design, planning, and construction of, the Truckee watershed reclamation project, consisting of the North Valley Reuse Project and the Spanish Springs Valley Septic Conversion Project, ("Project") to reclaim and reuse wastewater (including degraded ground water) within and without the service area of Washoe County, Nevada.

(b) COST SHARE.—The Federal share of the cost of the Project shall not exceed 25 percent of the total cost.

(c) LIMITATION.—Funds provided by the Secretary shall not be used for the operation or maintenance of the Project.

(d) FUNDING.—Funds appropriated pursuant to section 1615 of the Reclamation Wastewater and Groundwater Study and Facilities Act may be used for the Project (106 Stat. 4663–4669, 43 U.S.C. 390h et seq.), as amended.

SEC. 2. RECLAMATION WASTEWATER AND GROUNDWATER STUDY AND FACILITIES ACT

Design, planning, and construction of the Project shall be in accordance with, and subject to the limitations contained in, the Reclamation Wastewater and Ground-

water Study and Facilities Act (106 Stat. 4663–4669, 43 U.S.C. 390h et seq.), as amended.

Amend the title so as to read: "To authorize the Secretary of the Interior, pursuant to the provisions of the Reclamation Wastewater and Groundwater Study and Facilities Act to participate in the design, planning, and construction of the Truckee watershed reclamation project for the reclamation and reuse of water."

PURPOSE OF THE MEASURE

The purpose of S. 2195 is to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Truckee watershed reclamation project for the reclamation and reuse of water.

BACKGROUND AND NEED

Title XVI of the Reclamation Projects Authorization and Adjustment Act of 1992 (P.L. 102–575, 106 Stat. 4006) authorized a program of wastewater reclamation and reuse feasibility and demonstration projects within the Reclamation States. The Federal share of costs was limited to 50 percent. In addition, several individual studies were directed as well as 5 projects (San Jose, Phoenix, San Diego, Los Angeles, and San Gabriel Basin) for which funding was limited to 25 percent. The legislation was directed at reuse of existing supplies and did not address desalination, although title XI did authorize a program to research and demonstrate methods for control of salinity at the Salton Sea in California with 50 percent Federal cost-sharing. Partially in response to the number of requests for participation in the program and the costs, P.L. 104–266 modified the program to limit Federal contributions to 25 percent of the total cost, with a maximum of $20 million, and required a feasibility analysis prior to the expenditure of any funds for construction. The new requirements were not made applicable to several very large projects, mainly in California, authorized under title XVI. The 1996 Act also included authorization for 18 additional water reclamation and reuse projects in California, Utah, New Mexico, Nevada, and Texas. Title XVI was again amended in October 1998 by P.L. 105–321 to include authorization for the Willow Lake Natural Treatment System Project in Oregon.

The use of reclaimed water in the arid West is significant, especially in areas experiencing groundwater overdraft or facing reduced freshwater supplies. While municipal uses are the primary benefits of the program, there can be significant indirect benefits for other consumptive uses, such as agriculture, and non-consumptive uses, such as augmenting in-stream flows or reducing depletions.

The Truckee watershed reclamation project

The Truckee Watershed Reclamation Project contains two separate components: the North Valley Reuse Project in Lemmon Valley, Nevada, and the Spanish Springs Valley Septic Conversion Project in Washoe County, Nevada. Both of these components were identified in a recently completed Regional Water Management Plan, developed by staff the cities of Reno and Sparks, Washoe

County and Sierra Pacific Power Company, the dominant water purveyor in the region.

North Valley reuse project

Lemmon Valley is located immediately north of Reno, Nevada and is separated into two distinct hydrobasins; the west basin lies primarily within the City of Reno, and the east basin lies primarily within unincorporated Washoe County. Both basins have limited groundwater and surface water resources.

The use of reclaimed wastewater effluent within Lemmon Valley can reduce the region's current dependence on groundwater for irrigation purposes. The city of Reno and Washoe County plan to design and construct wastewater effluent reuse facilities necessary to convey treated wastewater to the region's recreation sites that currently hold groundwater rights for irrigation. Once the new effluent reuse system is operational, groundwater currently dedicated for irrigation purposes can be utilized as a reliable supplement to the region's potable water resources.

Both Washoe County and the city of Reno operate wastewater facilities in the Lemmon Valley region. Approximately 2 miles separate the facilities. The Reno facility is designed to treat 1.3 million gallons of wastewater per day. The city is currently modernizing and expanding the facility's treatment process, including the design of a new wastewater effluent reuse delivery system.

Washoe County operates the Lemmon Valley Wastewater Treatment Facility. This facility treats an average of 240,000 gallons of wastewater per day, and is projected to reach its current design capacity of 300,000 gallons per day by 2002. At that time, the facility will require major renovations, or complete abandonment and replacement. The facility currently does not have a beneficial effluent reuse system; rather treated effluent is disposed of in ponds designed to allow the wastewater to evaporate. The current cumulative water allowed to evaporate each year from the ponds is approximately 265 acre feet, or roughly the amount of water needed annually to irrigate 80 acres of grass.

Washoe County and the city of Reno propose that the Lemmon Valley facility be closed when it reaches its treatment capacity in 2002. Wastewater currently being treated at the site would then be pumped 2 miles to the Reno facility for treatment. In 1996, CH_2M Hill was retained to evaluate the feasibility to close the Lemmon Valley facility and combine treatment operations of the two facilities at the Reno facility. CH_2M Hill determined that combining wastewater treatment at Reno was cost effective for sewer users due to lower capital and O&M costs compared to separate operation. More importantly, decommissioning the Lemmon Valley facility and pumping its wastewater to Reno for treatment would allow for more reclaimed effluent to be used in Reno's effluent reuse system, which would be beneficial to the entire Lemmon Valley area.

Money from sources other than selling reuse water to replace potable supplies is needed to start the decommissioning process and construct the pump station, pipeline and plant expansion. Once these facilities are constructed, a revenue source would exist to pay for O&M and enhanced recycled water distribution due to the in-

creased supply for recycled water. The title XVI funds would be used for this initial capitalization.

Spanish Springs project

Currently over 1,900 homes in the Washoe County portion of Spanish Springs Valley are on individual septic systems. Sixty-six percent of these septic systems are on lots less than 1 acre and 97 percent of them are on lots of less than 2 acres. A recent USGS report commissioned by the Washoe County Regional Water Planning Commission (RWPC) identified nitrogen contamination of municipal and domestic wells in the area. The source of the nitrogen was confirmed to originate from septic tank discharge. As a result, the Nevada Division of Environmental Protection has directed Washoe County to develop a plan to bring a sewer system to the area. The county has eighteen months to develop a facility plan to alleviate the nitrogen contamination problem. Relocating wells will not be considered mitigation, only the elimination of the contaminant source.

Newer subdivisions have brought a sewer interceptor to the area creating an opportunity to connect the existing homes, most of which are less than 20 years old. Another interceptor is being designed and would be available to convey additional flows to the Truckee Meadows Water Reclamation Facility. A study commissioned by the RWPC has developed a preliminary plan to connect these homes as mandated by the State. Costs estimates for doing so range from $10,000 to $13,000 per house, including a hook-up fee of $4700.

The mandate to bring a sewer system to these homes requires Washoe County to develop an implementable plan by February 2002. This plan would include a financial plan that requires the individual homeowners to contribute monthly payments as a revenue source to pay off a low interest loan obtained from the State of Nevada. Any grants to reduce these costs will reduce the impact to the homeowners. Potential sources of funding, in addition to title XVI funding, include wellhead protection grants and community development block grants.

LEGISLATIVE HISTORY

S. 2195 was introduced by Senator Reid on March 7, 2000. The Subcommittee on Water and Power held a hearing on July 11, 2000. At the business meeting on September 20, 2000, the Committee on Energy and Natural Resources ordered S. 2195, as amended, favorably reported.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Committee on Energy and Natural Resources, in open business session on September 20, 2000, by a unanimous voice vote with a quorum present, recommends that the Senate pass S. 2195, if amended as described herein.

COMMITTEE AMENDMENT

During the consideration of S. 2195, the Committee adopted an amendment in the nature of a substitute that amends the legislation to make it a freestanding bill, rather than amending the exist-

ing title 16 Act of Public Law 102–575. The substitute amendment also specifies the two components of the project to be authorized. They are the North Valley Reuse Project and the Spanish Springs Valley Septic Conversion Project. The title of the bill is also amended. The authorization for this wastewater reuse project is limited to two specific projects—The North Valley Reuse Project and the Spanish Springs Valley Septic Conversion Project. The third project described in testimony at the July 11, 2000 Water and Power Subcommittee hearing, the Truckee River Channel Restoration Project, is specifically excluded from this authorization.

COST AND BUDGETARY CONSIDERATIONS

The Congressional Budget Office estimate of the costs of this measure has been requested but was not received at the time the report was filed. When the report is available, the Chairman will request it to be printed in the Congressional Record for the advice of the Senate.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 2195. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 2195, as ordered reported.

EXECUTIVE COMMUNICATIONS

On May 10, 2000, the Committee on Energy and Natural Resources requested legislative reports from the Department of the Interior and the Office of Management and Budget setting forth Executive agency recommendations on S. 2195. These reports had not been received at the time the report on S. 2195 was filed. When the reports become available, the Chairman will request that they be printed in the Congressional Record for the advice of the Senate. The testimony provided by the Commissioner of the Bureau of Reclamation at the Subcommittee hearing follows:

STATEMENT OF ELUID L. MARTINEZ, COMMISSIONER, BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR

Thank you for the opportunity to appear today to provide the Administration's views on S. 2195, concerning the Truckee (Nevada) watershed reclamation project. My name is Eluid Martinez. I am Commissioner of the U.S. Bureau of Reclamation (Reclamation).

S. 2195 would amend the Reclamation Wastewater and Groundwater Study and Facilities Act (43 U.S.C. 390h et seq.) [Title XVI of P.L. 102–575 (1992)] to authorize the Secretary of the Interior (Secretary) to participate in the design, planning, and construction of the Truckee watershed reclamation project in Washoe County, Nevada. S.

2195 limits the Federal share of project costs to 25 percent of the total costs and restricts the Secretary from providing funding for the operation and maintenance of this project. While Reclamation strongly encourages local water recycling efforts, we must oppose authorizing this additional Federal recycling project for the reasons described below.

Mr. Chairman, in 1992, Congress adopted, and the President signed, the Reclamation Projects Authorization and Adjustment Act (Public Law 102–575). Title XVI of this Act, the Wastewater and Groundwater Study and Facilities Act, authorized the construction of five water reclamation and reuse projects. Four of these projects are in California and the fifth is in Arizona. The Secretary was also authorized to undertake a program to identify other water recycling opportunities throughout the 17 western United States, and to conduct appraisal level and feasibility level studies to determine if those opportunities are worthy of implementation. The Bureau of Reclamation has been administering a grant program to fund these Title XVI projects since FY 1994.

In 1996, Public Law 104–266, the Reclamation Recycling and Water Conservation Act was enacted into law. This Act amended Title XVI and authorized the Secretary to participate in the planning, design, and construction of 18 additional projects, including two desalination research and development projects. These new projects are distributed within five states, including California, Nevada, Utah, Texas, and New Mexico. Title XVI was further amended in 1998 by Public Law 105–321 to authorize Reclamation to participate in the design, planning, and construction of the Willow Lake Natural Treatment System Project in Salem, Oregon. To date, of the 24 specifically authorized projects, 17 have received funding, 13 for construction and four (4) for feasibility studies. In addition, Congress has provided Reclamation funding to construct two research and demonstration projects, and to participate in appraisal level or feasibility level studies for more than ten other potential projects that have yet to be authorized for construction.

Municipal, industrial, domestic, and agricultural wastewater reuse efforts can assist states and local communities in solving contemporary water supply problems. However, the Department opposes authorizing additional projects in the absence of feasibility studies to determine whether these particular projects warrant Federal funding. In general, Reclamation places priority on funding new projects that (1) are economically justified and environmentally acceptable in a watershed context; (2) are not eligible for funding under another Federal program; and (3) directly address Administration priorities for the Reclamation program, such as reducing the demand on existing Federal water supply facilities.

S. 2195 would also increase outstanding Federal obligations for the water reclamation and reuse projects already

authorized by Congress. These currently authorized projects are estimated to cost approximately $3 billion, and the Federal government's share of these costs is well in excess of $500 million. Although more than $188 million has been appropriated to Reclamation for 17 of the 24 currently authorized projects, that amount represents only about a third of the potential Federal contribution for the ongoing projects. At current funding levels, it will take Reclamation more than 10 years to complete the funding of the 24 currently authorized projects.

For these reasons, the Department of the Interior cannot support authorizing this new construction request.

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

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill S. 2195, as ordered reported.

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