

Calendar No. 60

107TH CONGRESS }
1st Session }

SENATE

{ REPORT
{ 107-25

DENVER WATER REUSE PROJECT

—————
JUNE 5, 2001.—Ordered to be printed
—————

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

REPORT

[To accompany S. 491]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 491) 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 Denver Water Reuse project, 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 all after the enacting clause and insert the following:

SECTION 1. DENVER WATER REUSE PROJECT.

(a) **AUTHORIZATION.**—The Secretary of the Interior, in cooperation with the appropriation State and local authorities, may participate in the design, planning, and construction of the Denver Water Reuse Project (hereinafter referred to as the “Project”) to reclaim and reuse water in the service area of the Denver Water Department of the city and county of Denver, Colorado.

(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 1631 of the Reclamation Wastewater and Groundwater Study and Facilities Act (43 U.S.C. 390h–13) may be used for the Project.

SEC. 2. RECLAMATION WASTEWATER AND GROUND WATER STUDY AND FACILITIES ACT.

Design, planning, and construction of the Project authorized by this Act shall be in accordance with, and subject to the limitations contained in, the Reclamation Wastewater and Groundwater Study and Facilities Act (106 Stat. 4663–4669, 43 U.S.C. 390h *et. seq.*), as amended.

2. Amend the title so as to read: “A bill to authorize the Secretary of the Interior, pursuant to the provisions of the Reclama-

tion Wastewater and Groundwater to participate in the design, planning, and construction of the Denver Water Reuse project.”

PURPOSE OF THE MEASURE

The purpose of S. 491 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 Denver Water Reuse Project.

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 individuals 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, Public Law 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 the 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 Public Law 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 Denver Nonpotable Reuse Project will treat secondary wastewater for irrigation and industrial uses around the Denver International Airport and Rocky Mountain Wildlife Refuge. The project ultimately is designed to provide 15,000 acre feet, freeing up potable supplies for 30,000 homes. The reuse will also aid Denver in complying with the Blue River Decree, signed by the Secretary of the Interior, under which Denver conveys water from Colorado’s western slope to its eastern slope customers. The total project cost for all three phases is about \$100 million. Under the cost-share limitations of Public Law 104–566, the Federal funding contribution will be limited to \$20 million, notwithstanding the 25 percent limitation in the legislation.

LEGISLATIVE HISTORY

S. 491 was introduced by Senator Campbell on March 8, 2001. At the business meeting on May 16, 2001, the Committee on Energy and Natural Resources ordered S. 491, as amended, favorably reported. S. 491 is similar to S. 1848, introduced by Senator Campbell in the 106th Congress. The Subcommittee on Water and Power held a hearing on S. 1848 and the bill was subsequently reported out of the Committee with a technical amendment and passed by Unanimous Consent on the Senate floor.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Committee on Energy and Natural Resources, in open business session on May 16, 2001, by a unanimous voice vote with a quorum present, recommends that the Senate pass S. 491, if amended as described herein.

COMMITTEE AMENDMENT

During the consideration of S. 491, the Committee adopted an amendment in the nature of a substitute that rewrites the legislation to make it a freestanding bill, rather than amending title 16 of Public Law 102-575, which established the wastewater reclamation program. The title of the bill was also amended to reflect that change.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of costs of this measure has been provided by the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 31, 2001.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 491, a bill 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 Denver Water Reuse project.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Rachel Milberg.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure,

S. 491—A bill 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 Denver Water Reuse project

Summary: S. 491 would authorize the Secretary of the Interior to participate in the design, planning, and construction of the

Water Reuse Project. This project would recycle wastewater for the city and county of Denver, Colorado. Based on information from the Bureau of Reclamation, CBO estimates that implementing S. 491 would cost \$23 million over the 2002–2004 period, assuming appropriation of the necessary amounts. S. 491 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 491 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments might incur some costs to match the federal funds authorized by this bill, but these costs would be voluntary.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 491 is shown in the following table. The costs of this legislation fall within budget function 300 (national resources and environment).

	By fiscal year, in millions of dollars—					
	2001	2002	2003	2004	2005	2006
SPENDING SUBJECT TO APPROPRIATION						
Estimated authorization level	0	10	13	0	0	0
Estimated outlays	0	5	10	8	0	0

Basis of estimate: for this estimate, CBO assumes enactment of S. 491 in fiscal year 2001 and that the necessary funds will be appropriated each year beginning in 2002. Based on information from the Bureau of Reclamation, CBO estimates that the total Denver Water Reuse project would cost \$140 million. S. 491 would allow any funds appropriated under section 1631 of the Reclamation Wastewater and Groundwater Study and Facilities Act to be used for the project. That act limits the federal contribution to 25 percent of a project's total cost, but no more than \$20 million, as adjusted for inflation since October 1996. Because 25 percent of the Denver Water Reuse project's total cost would exceed this threshold, CBO estimates that implementing S. 491 would involve a federal contribution of \$23 million over the 2002–2004 period. S. 491 would not authorize the federal government to fund the operation and maintenance of the project.

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: S. 491 contains no intergovernmental or private-sector mandates as defined in UMRA. State and local governments might incur some costs to match the federal funds authorized by this bill, but these costs would be voluntary.

Estimate prepared by: Federal costs: Rachel Milberg; Impact on State, local, and tribal governments: Majorie Miller, impact on the private sector: Lauren Marks.

Estimate approved by: Peter H. Fontaine; Deputy Assistant Director for Budget Analysis.

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. 491. The bill is not a regulatory measure in the sense of impos-

ing 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. 491, as ordered reported.

EXECUTIVE COMMUNICATIONS

On May 25, 2001, 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. 491. These reports had not been received at the time the report on S. 491 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. At the Subcommittee hearing on S. 1848 held in the 106th Congress, the Administration did not support the measure.

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. 491, as ordered reported.