

INCREASE CEILING ON FEDERAL SHARE OF COSTS OF
PHASE I OF ORANGE COUNTY REGIONAL WATER REC-
LAMATION PROJECT

JUNE 23, 2004.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. POMBO, from the Committee on Resources,
submitted the following

R E P O R T

[To accompany H.R. 1156]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 1156) to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to increase the ceiling on the Federal share of the costs of phase I of the Orange County, California, Regional Water Reclamation Project, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 1156 is to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to increase the ceiling on the federal share of the costs of Phase I of the Regional Water Reclamation Project in Orange County, California.

BACKGROUND AND NEED FOR LEGISLATION

In light of drought and decreasing imported water supplies, communities throughout southern California continue to seek non-traditional ways of developing dependable water supplies. Reclaiming wastewater is one of the current non-traditional ways of developing new water sources. Most efforts to recycle wastewater are locally driven; however the Title XVI program (also known as the "Reclamation Wastewater and Groundwater Study and Facilities Act") adds federal assistance to help mitigate drought impacts and reduce dependence on imported Colorado River water. Initially au-

thorized in 1992 and amended in 1996, the Title XVI program directs the Bureau of Reclamation to award federal grants to communities seeking to develop non-traditional water supplies. The Title XVI programs allow for a 50% federal cost share for feasibility studies and a 25% federal cost share for construction projects. The Committee notes that the significant local cost-share makes these projects attractive to private financing and partnerships and encourages regional solutions to complex water supply problems.

H.R. 1156 authorizes additional federal assistance to support the Orange County Water District's (OCWD) construction of the Ground Water Replenishment System in Orange County, California. The OCWD supplies potable water to a 350 square mile service area through groundwater supplies (75%) and the purchase of imported Colorado River and northern California water sources (25%). The OCWD's service area¹ population is expected to grow substantially, requiring an additional 180,000 acre-feet of water per year.

To meet these needs, OCWD created the Ground Water Replenishment System, which will inject highly treated wastewater into the groundwater basin. The water will be delivered through a 13 mile-long pipeline to spreading basins, where it will be blended with other sources of water, including the Santa Ana River, and subsequently used for recharging the local underground aquifer. This will provide water for future uses and create a freshwater barrier to prevent seawater intrusion. The existing project's cost is \$450 million with a \$20 million Title XVI authorization. H.R. 1156 authorizes an additional \$60 million in the total federal cost share. The increased federal cost share will help leverage more local and state financing to expand the system into a \$600 million project.

COMMITTEE ACTION

H.R. 1156 was introduced by Congresswoman Loretta Sanchez (D-CA) on March 6, 2003. The bill was referred to the Committee on Resources, and within the Committee to the Subcommittee on Water and Power. On September 10, 2003, the Subcommittee on Water and Power held a hearing on H.R. 1156. On October 30, 2003 The Subcommittee met to mark up the bill. No amendments were offered and the bill was forwarded to the Full Resources Committee by unanimous consent. On May 21, 2004, the Committee met to mark up the bill. No amendments were offered and the bill was ordered favorably reported to the House of Representatives by unanimous consent.

SECTION-BY-SECTION

Section 1 of the bill amends Section 1631(d) of the Reclamation Wastewater and Groundwater Study and Facilities Act to increase the federal cost ceiling to \$80 million.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of Rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Re-

¹The traditional measure of water, an acre-foot is the amount of water that would cover one acre of land to a depth of one foot.

sources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 of the Constitution of the United States grants Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

3. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to increase the ceiling on the federal share of the costs of Phase I of the Regional Water Reclamation Project in Orange County, California.

4. Congressional Budget Office Cost Estimate. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 26, 2004.

Hon. RICHARD W. POMBO,
*Chairman, Committee on Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1156, a bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to increase the ceiling on the federal share of the costs of phase I of the Orange County, California, Regional Water Reclamation Project.

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

Sincerely,

DOUGLAS HOLTZ-EAKIN.

Enclosure.

H.R. 1156—A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to increase the ceiling on the federal share of the costs of phase I of the Orange County, California, Regional Water Reclamation Project

Summary: H.R. 1156 would add \$60 million to the amounts authorized to be appropriated for the federal share of phase I of the Orange County, California, Regional Water Reclamation Project. Under current law, the maximum federal share for this project is \$20 million. The federal government has spent \$11 million on the project to date.

Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 1156 would cost \$60 million over the 2005–2009 period. Enacting this bill would not affect direct spending or revenues.

H.R. 1156 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. The additional federal funds authorized by this bill would benefit the Orange County Water District.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 1156 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

For this estimate, CBO assumes that H.R. 1156 will be enacted near the end of fiscal year 2004 and that the authorized amounts will be appropriated in equal amounts over the 2005–2007 period. According to the Bureau of Reclamation, funding for the project is scheduled to be completed in fiscal year 2007. Based on historical spending of similar projects, CBO estimates that implementing this bill would cost \$60 million over the 2005–2009 period.

	By fiscal year, in millions of dollars—					
	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Orange County Reclamation						
Project:						
Authorization Level ¹	3	2	4	3	0	0
Estimated Outlays	2	3	3	3	1	0
Proposed Changes:						
Authorization Level	0	20	20	20	0	0
Estimated Outlays	0	13	17	20	7	3
Spending Under H.R. 1156 for Orange County Reclamation						
Project:						
Authorization Level ¹	3	22	24	23	0	0
Estimated Outlays	2	16	20	23	8	3

¹The 2004 level is the amount appropriated for that year.

Intergovernmental and private-sector impact: H.R. 1156 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The additional federal funds authorized by this bill would benefit the Orange County Water District.

Estimate prepared by: Federal Costs: Julie Middleton; Impact on State, Local, and Tribal Governments: Marjorie Miller; and Impact on the Private Sector: Jean Talarico.

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

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 1631 OF THE RECLAMATION WASTEWATER AND GROUNDWATER STUDY AND FACILITIES ACT

SEC. 1631. AUTHORIZATION OF APPROPRIATIONS.

(a) * * *

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(d)(1) Notwithstanding any other provision of this title and except as provided by paragraph (2) *paragraphs (2) and (3)*, the Federal share of the costs of each of the individual projects authorized by this title shall not exceed \$20,000,000 (October 1996 prices).

* * * * *

(3) The Federal share of the costs of the project authorized by section 1624 shall not exceed \$80,000,000.