

AMENDING THE RECLAMATION WASTEWATER AND GROUNDWATER STUDY AND FACILITIES ACT TO AUTHORIZE THE SECRETARY OF THE INTERIOR TO PARTICIPATE IN THE INLAND EMPIRE REGIONAL WATER RECYCLING PROJECT, TO AUTHORIZE THE SECRETARY TO CARRY OUT A PROGRAM TO ASSIST AGENCIES IN PROJECTS TO CONSTRUCT REGIONAL BRINE LINES IN CALIFORNIA, AND TO AUTHORIZE THE SECRETARY TO PARTICIPATE IN THE LOWER CHINO DAIRY AREA DESALINATION DEMONSTRATION AND RECLAMATION 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. 142]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 142) to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the Inland Empire regional water recycling project, to authorize the Secretary to carry out a program to assist agencies in projects to construct regional brine lines in California, and to authorize the Secretary to participate in the Lower Chino Dairy Area desalination demonstration and reclamation project, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. PRADO BASIN NATURAL TREATMENT SYSTEM PROJECT.

(a) IN GENERAL.—The Reclamation Wastewater and Groundwater Study and Facilities Act (Public Law 102-575, title XVI; 43 U.S.C. 390h et seq.) is amended by adding at the end the following:

“SEC. 1636. PRADO BASIN NATURAL TREATMENT SYSTEM PROJECT.

“(a) IN GENERAL.—The Secretary, in cooperation with the Orange County Water District, shall participate in the planning, design, and construction of natural treatment systems and wetlands for the flows of the Santa Ana River, California, and its tributaries into the Prado Basin.

“(b) COST SHARING.—The Federal share of the cost of the project described in subsection (a) shall not exceed 25 percent of the total cost of the project.

“(c) LIMITATION.—Funds provided by the Secretary shall not be used for the operation and maintenance of the project described in subsection (a).

“(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$20,000,000.”

(b) CONFORMING AMENDMENT.—The table of sections in section 2 of Public Law 102–575 is further amended by inserting after the item relating to section 1634 the following:

“Sec. 1636. Prado Basin Natural Treatment System Project.”

SEC. 2. REGIONAL BRINE LINES.

(a) IN GENERAL.—The Reclamation Wastewater and Groundwater Study and Facilities Act (Public Law 102–575, title XVI; 43 U.S.C. 390h et seq.) is further amended by adding at the end the following:

“SEC. 1637. REGIONAL BRINE LINES.

“(a) SOUTHERN CALIFORNIA.—The Secretary, in cooperation with units of local government, may carry out a program under the Federal reclamation laws to assist agencies in projects to construct regional brine lines to export the salinity imported from the Colorado River to the Pacific Ocean as identified in—

“(1) the Salinity Management Study prepared by the Bureau of Reclamation and the Metropolitan Water District of Southern California; and

“(2) the Southern California Comprehensive Water Reclamation and Reuse Study prepared by the Bureau of Reclamation.

“(b) AGREEMENTS AND REGULATIONS.—The Secretary may enter into such agreements and promulgate such regulations as are necessary to carry out this section.

“(c) COST SHARING.—The Federal share of the cost of a project to construct regional brine lines described in subsection (a) shall not exceed—

“(1) 25 percent of the total cost of the project; or

“(2) \$50,000,000.

“(d) LIMITATION.—Funds provided by the Secretary shall not be used for operation or maintenance of any project described in subsection (a).”

(b) CONFORMING AMENDMENT.—The table of sections in section 2 of Public Law 102–575 is further amended by inserting after the item relating to section 1635 the following:

“Sec. 1637. Regional brine lines.”

SEC. 3. LOWER CHINO DAIRY AREA DESALINATION DEMONSTRATION AND RECLAMATION PROJECT.

(a) IN GENERAL.—The Reclamation Wastewater and Groundwater Study and Facilities Act (Public Law 102–575, title XVI; 43 U.S.C. 390h et seq.) is further amended by adding at the end the following:

“SEC. 1638. LOWER CHINO DAIRY AREA DESALINATION DEMONSTRATION AND RECLAMATION PROJECT.

“(a) IN GENERAL.—The Secretary, in cooperation with the Chino Basin Watermaster, the Inland Empire Utilities Agency, and the Santa Ana Watershed Project Authority and acting under the Federal reclamation laws, shall participate in the design, planning, and construction of the Lower Chino Dairy Area desalination demonstration and reclamation project.

“(b) COST SHARING.—The Federal share of the cost of the project described in subsection (a) shall not exceed—

“(1) 25 percent of the total cost of the project; or

“(2) \$50,000,000.

“(c) LIMITATION.—Funds provided by the Secretary shall not be used for operation or maintenance of the project described in subsection (a).

“(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.”

(b) CONFORMING AMENDMENT.—The table of sections in section 2 of Public Law 102–575 is further amended by inserting after the item relating to section 1636 the following:

“Sec. 1638. Lower Chino dairy area desalination demonstration and reclamation project.”

Amend the title so as to read:

A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the Prado Basin Natural Treatment System Project, to authorize the Secretary to carry out a program to assist agencies in projects to construct regional brine lines in California, and to authorize the Secretary to participate in the Lower Chino Dairy Area desalination demonstration and reclamation project.

PURPOSE OF THE BILL

The purpose of H.R 142 is to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the Prado Basin Natural Treatment System Project, to authorize the Secretary to carry out a program to assist agencies in projects to construct regional brine lines in California, and to authorize the Secretary to participate in the Lower Chino Dairy Area desalination demonstration and reclamation project.

BACKGROUND AND NEED FOR LEGISLATION

Many western states are faced with the formidable task of providing reliable water resources for rapidly increasing populations. Many communities depend on varied sources of water to meet these demands. In southern California, for example, communities depend on imported Colorado River water as the major source of water supply. However, in light of the historic Quantification Settlement Agreement,¹ the region's dependence on this imported water source will be significantly reduced over time. Meanwhile, drought throughout Southern California and the western United States has only exacerbated water availability issues.

As a result of dwindling supplies and increasing demands, communities continue to seek non-traditional methods to produce dependable water sources. The principal methods to develop non-traditional water supplies in water-stressed areas are through water recycling and desalination. Water recycling is the treatment and management of wastewater to produce non-potable (non-drinkable) water suitable for reuse, and desalination is the method of removing excess salts from brackish or ocean waters. Recycled water is presently used for irrigation of residential lawns, golf courses, schools, parks, athletic fields, edible crops, and other landscape areas. Other uses include various types of industrial and power utility reuse and groundwater recharge. Thus, the primary goal of water recycling is to allow more potable water to be targeted for drinking water purposes. Desalination provides drinking water directly into the delivery system and is blended with other sources of potable water in many cases. One of the main challenges to desalination is the transport of the salts (also known as brine) to out-fall stations.

Water recycling and desalination are growing trends throughout the Nation. The federal government's specific role in these efforts is the Title XVI program, also known as "The Reclamation Wastewater and Groundwater Study and Facilities Act." Authorized in 1992 and amended in 1996, the Title XVI program directs the Bureau of Reclamation in the Department of the Interior to award federal grants to communities developing non-traditional water supplies. The Title XVI program allows 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 partner-

¹This agreement provides California a transition period to implement water transfers and supply programs that will reduce the state's draw of the Colorado River to its 4.4 million acre-foot basic annual apportionment.

ships and encourages regional solutions to complex water supply problems.

As amended, H.R. 142 authorizes Title XVI funding for a number of areas in southern California. The bill seeks to improve the quality of the Orange County groundwater basin by naturally treating Santa Ana River flow through wetlands development. The treated water would be used for groundwater recharge. In addition, the wetlands will serve as a mitigation tool for threatened and endangered species. This mitigation measure will allow for increased water storage behind Prado Dam. The bill also authorizes Title XVI funding for the construction of a regional brine line that would convey reject brine from local ground water treatment plants and other nearby sites to an existing ocean outfall pump station, and create a Lower Chino Basin Dairy Area desalination project to clean brackish groundwater. Upon full implementation, these projects will create an estimated 50,000 new acre feet of water² annually for southern California in order to help “drought-proof” the region.

COMMITTEE ACTION

H.R. 142 was introduced by Congressman Gary G. Miller (R-CA) on January 7, 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 held a hearing on the bill. On October 30, 2003, the Subcommittee met to mark up the bill. Congressman Ken Calvert (R-CA) offered an amendment in the Nature of a Substitute. It was adopted by unanimous consent. The Subcommittee then forwarded the bill, as amended, to the full Resources Committee by unanimous consent. On May 5, 2004, the Committee met to consider the bill. No further amendments were offered, and the bill as amended was favorably reported to the House of Representatives by unanimous consent.

SECTION-BY-SECTION

As ordered reported, Section 1 authorizes Title XVI funding for the Prado Basin Natural Treatment System Project. The Secretary of the Interior (Secretary) is directed to participate with the Orange County Water District in the planning, design and construction of natural treatment systems and wetlands for the flows of the Santa Ana River and its tributaries in southern California. The federal cost share is limited to 25%, or \$20 million. Federal funding will not be used for operation and maintenance costs.

Section 2 authorizes Title XVI funding for the construction of regional brine lines that would convey reject brine to an existing ocean outfall pump station. The Secretary is directed to work with local governments to export brine from imported Colorado River water to the Pacific Ocean. The federal cost share shall not exceed 25% or \$50 million. Federal funding will not be used for operation and maintenance costs.

Section 3 authorizes Title XVI funding for treating impaired ground water in the Lower Chino Basin Dairy Area. The Secretary is directed to cooperate with the Chino Basin Watermaster, the In-

²The 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.

land Empire Utilities Agency and the Santa Ana Watershed Project Authority in the design, planning and construction of the Lower Chino Dairy Area desalination demonstration and reclamation project. The federal cost share shall not exceed 25% or \$50 million. Federal funding will not be used for operation and maintenance costs.

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 Resources' 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 authorize the Secretary of the Interior to participate in the Prado Basin Natural Treatment System Project, to authorize the Secretary to carry out a program to assist agencies in projects to construct regional brine lines in California, and to authorize the Secretary to participate in the Lower Chino Dairy Area desalination demonstration and reclamation project.

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, June 3, 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. 142, a bill to amend the

Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the Prado Basin Natural Treatment System project, to authorize the Secretary to carry out a program to assist agencies in projects to construct regional brine lines in California, and to authorize the Secretary to participate in the Lower Chino Dairy Area desalination demonstration and 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. 142—A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the Prado Basin Natural Treatment System project, to authorize the Secretary to carry out a program to assist agencies in projects to construct regional brine lines in California, and to authorize the Secretary to participate in the Lower Chino Dairy Area desalination demonstration and reclamation project

Summary: H.R. 142 would authorize the Secretary of the Interior to participate in the design, planning, and construction of three new projects under the Reclamation Wastewater and Groundwater and Facilities Act, including the Prado Basin Natural Treatment System Project, the regional brine lines in Southern California, and the Lower Chino Dairy Area Desalination Demonstration and Reclamation Project. The bill would authorize the appropriation of \$20 million for the federal share of the Prado Basin Natural Treatment System Project. In addition, the bill would authorize the appropriation of such sums as necessary for the federal share (up to \$50 million) of each of the two other projects. For all three projects, the federal share would be limited to 25 percent of the total project cost.

Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 142 would cost \$110 million over the 2005–2009 period and \$10 million after that period. Enacting this bill would not affect direct spending or revenues.

H.R. 142 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 federal funds authorized by this bill would benefit local governments in California. Any costs incurred by these governments to provide the required matching funds would be voluntary.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 142 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal year, in millions of dollars—				
	2005	2006	2007	2008	2009
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Prado Basin Project:					
Estimated Authorization Level	4	4	4	4	4
Estimated Outlays	3	3	4	4	4

	By fiscal year, in millions of dollars—				
	2005	2006	2007	2008	2009
Regional Brine Lines:					
Estimated Authorization Level	10	10	10	10	10
Estimated Outlays	7	9	10	10	10
Lower Chino Dairy Project:					
Estimated Authorization Level	10	10	10	10	10
Estimated Outlays	7	9	10	10	10
Total Changes:					
Estimated Authorization Level	24	24	24	24	24
Estimated Outlays	17	21	24	24	24

Basis of estimate: For this estimate, CBO assumes that H.R. 142 will be enacted near the end of fiscal year 2004 and that the necessary amounts will be appropriated in equal amounts over the 2005–2009 period. Based on preliminary information about the total cost of these projects, we assume that \$50 million would be needed for the federal share of construction costs of the regional brine lines and that \$50 million would be needed for the federal share of the Lower Chino Dairy Project—the maximum amount that would be authorized under the bill for each project. Based on historical spending patterns of similar projects, CBO estimates that implementing this bill would cost \$110 million over the 2005–2009 period and \$10 million after that period.

Intergovernmental and private-sector impact: H.R. 142 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The federal funds authorized by this bill would benefit local governments in California. Any costs incurred by these governments to provide the required matching funds would be voluntary.

Estimate prepared by: Federal Costs: Julie Middleton; Impact on State, Local, and Tribal Governments: Marjorie Miller; and Impact on the Private Sector: Paige Piper/Bach.

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 (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

RECLAMATION PROJECTS AUTHORIZATION AND ADJUSTMENT ACT OF 1992

(Public Law 102–575)

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SEC. 2. DEFINITION AND TABLE OF CONTENTS.

For purposes of this Act, the term “Secretary” means the Secretary of the Interior.

TABLE OF CONTENTS

Sec. 1. Short title.

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TITLE XVI—RECLAMATION WASTEWATER AND GROUND WATER STUDIES

Sec. 1601. Short title.

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Sec. 1636. *Prado Basin Natural Treatment System Project.*

Sec. 1637. *Regional brine lines.*

Sec. 1638. *Lower Chino dairy area desalination demonstration and reclamation project.*

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**TITLE XVI—RECLAMATION WASTEWATER AND
GROUNDWATER STUDIES**

SEC. 1601. SHORT TITLE.

This title may be referred to as the “Reclamation Wastewater and Groundwater Study and Facilities Act”.

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SEC. 1636. PRADO BASIN NATURAL TREATMENT SYSTEM PROJECT.

(a) *IN GENERAL.*—*The Secretary, in cooperation with the Orange County Water District, shall participate in the planning, design, and construction of natural treatment systems and wetlands for the flows of the Santa Ana River, California, and its tributaries into the Prado Basin.*

(b) *COST SHARING.*—*The Federal share of the cost of the project described in subsection (a) shall not exceed 25 percent of the total cost of the project.*

(c) *LIMITATION.*—*Funds provided by the Secretary shall not be used for the operation and maintenance of the project described in subsection (a).*

(d) *AUTHORIZATION OF APPROPRIATIONS.*—*There is authorized to be appropriated to carry out this section \$20,000,000.*

SEC. 1637. REGIONAL BRINE LINES.

(a) *SOUTHERN CALIFORNIA.*—*The Secretary, in cooperation with units of local government, may carry out a program under the Federal reclamation laws to assist agencies in projects to construct regional brine lines to export the salinity imported from the Colorado River to the Pacific Ocean as identified in—*

(1) *the Salinity Management Study prepared by the Bureau of Reclamation and the Metropolitan Water District of Southern California; and*

(2) *the Southern California Comprehensive Water Reclamation and Reuse Study prepared by the Bureau of Reclamation.*

(b) *AGREEMENTS AND REGULATIONS.*—*The Secretary may enter into such agreements and promulgate such regulations as are necessary to carry out this section.*

(c) *COST SHARING.*—*The Federal share of the cost of a project to construct regional brine lines described in subsection (a) shall not exceed—*

- (1) 25 percent of the total cost of the project; or
- (2) \$50,000,000.

(d) *LIMITATION.*—Funds provided by the Secretary shall not be used for operation or maintenance of any project described in subsection (a).

SEC. 1638. LOWER CHINO DAIRY AREA DESALINATION DEMONSTRATION AND RECLAMATION PROJECT.

(a) *IN GENERAL.*—The Secretary, in cooperation with the Chino Basin Watermaster, the Inland Empire Utilities Agency, and the Santa Ana Watershed Project Authority and acting under the Federal reclamation laws, shall participate in the design, planning, and construction of the Lower Chino Dairy Area desalination demonstration and reclamation project.

(b) *COST SHARING.*—The Federal share of the cost of the project described in subsection (a) shall not exceed—

- (1) 25 percent of the total cost of the project; or
- (2) \$50,000,000.

(c) *LIMITATION.*—Funds provided by the Secretary shall not be used for operation or maintenance of the project described in subsection (a).

(d) *AUTHORIZATION OF APPROPRIATIONS.*—There are authorized to be appropriated such sums as are necessary to carry out this section.

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