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110TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
110–483

AUTHORIZING APPROPRIATIONS FOR THE SAN GABRIEL BASIN RESTORATION FUND

DECEMBER 11, 2007.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. RAHALL, from the Committee on Natural Resources, submitted the following

R E P O R T

[To accompany H.R. 123]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 123) to authorize appropriations for the San Gabriel Basin Restoration Fund, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SAN GABRIEL BASIN RESTORATION FUND.

Section 110 of division B of the Miscellaneous Appropriations Act, 2001 (114 Stat. 2763A–222), as enacted into law by section 1(a)(4) of the Consolidated Appropriations Act, 2001 (Public Law 106–554, as amended by Public Law 107–66), is further amended—

(1) in subsection (a)(3)(B), by inserting after clause (iii) the following:

"(iv) NON-FEDERAL MATCH.—After $85,000,000 has cumulatively been appropriated under subsection (d)(1), the remainder of Federal funds appropriated under subsection (d) shall be subject to the following matching requirement:

"(I) SAN GABRIEL BASIN WATER QUALITY AUTHORITY.—The San Gabriel Basin Water Quality Authority shall be responsible for providing a 35 percent non-Federal match for Federal funds made available to the Authority under this Act.

"(II) CENTRAL BASIN MUNICIPAL WATER DISTRICT.—The Central Basin Municipal Water District shall be responsible for providing a 35 percent non-Federal match for Federal funds made available to the District under this Act."; and

(2) by amending subsection (d) to read as follows:

"(d) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There is authorized to be appropriated to the Restoration Fund established under subsection (a) $146,200,000. Such funds shall remain available until expended.

"(2) SET-ASIDE.—Of the amounts appropriated under paragraph (1), no more than $21,200,000 shall be made available to carry out the Central Basin Water Quality Project.".

PURPOSE OF THE BILL

The purpose of H.R. 123, as amended by the Committee on Natural Resources, is to authorize additional appropriations for the San Gabriel Basin Restoration Fund.

BACKGROUND AND NEED FOR LEGISLATION

The San Gabriel Basin supplies drinking water to 1.4 million people in eastern Los Angeles County. Volatile organic compounds, including suspected carcinogens, were discovered in the groundwater basin in 1979. Efforts to remove these compounds were moving forward under the federal Superfund program until 1997 when perchlorate was found in groundwater. This greatly complicated the cleanup because perchlorate and volatile organic compounds require different treatment methods. The perchlorate discovery closed a number of wells, cutting off the entire water supply for one water district and restricting water production for other producers. Faced with these problems, water producers and the San Gabriel Basin Water Quality Authority (WQA) began joint efforts to solve the immediate water supply problems and create an overall solution that could win backing from all levels of government and from private industry.

The San Gabriel Basin Restoration Fund (Restoration Fund) was originally authorized in 2000 as the San Gabriel Basin Water Quality Initiative (Public Law 106–554). The fund's authorized appropriations ceiling was established at $85,000,000 in total for groundwater cleanup in the San Gabriel Basin and the Central Basin in Southern California. Specifically, up to $75,000,000 was dedicated to the WQA to address contamination in the San Gabriel Basin, and up to $10,000,000 for the Central Basin Municipal Water District (CBMWD) to address contamination in the Central Basin. While the initial authorizing legislation directed the Secretary of the Army to administer the Restoration Fund, Congress in 2002 began appropriating the Restoration Fund to the U.S. Bureau of Reclamation (USBR) to administer (Public Law 107–66).

H.R. 123, as introduced, proposed to raise the appropriations ceiling for the Restoration Fund from $85,000,000 to $135,000,000, an increase of $50,000,000 over the current authorization.

As amended and ordered reported by the Committee on Natural Resources, H.R. 123 would raise the appropriations ceiling for the Restoration Fund from $85,000,000 to $146,200,000, an increase of $61,200,000 over the current authorization. The bill, as amended, specifically allocates $50,000,000 of the additional funds to the San Gabriel Water Quality Authority (WQA) for use in groundwater cleanup efforts in the San Gabriel Basin, and further allocates $11,200,000 to the Central Basin Municipal Water District (CBMWD) for use in groundwater cleanup efforts in the Central Basin.

Use of the Restoration Fund is restricted to (1) construction of groundwater treatment facilities, and (2) operation and maintenance of facilities for no more than 10 years. The Restoration Fund also requires a non-federal cost share of at least 35% of any appro-

priated funds obligated by the USBR in a given fiscal year, and the WQA is responsible for providing the non-federal amount prior to the obligation of any funds. H.R. 123, as amended and ordered reported by the Committee on Natural Resources, amends current law on the non-federal cost share by stipulating that CBMWD will now also be responsible for 35% non-federal cost share for any funds they are specifically slated to receive.

COMMITTEE ACTION

H.R. 123 was introduced on January 4, 2007 by Rep. David Dreier (R–CA). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Water and Power. The Subcommittee held a hearing on H.R. 123 on September 25, 2007. The Subcommittee subsequently met on October 16, 2007 to mark up H.R. 123. The Subcommittee forwarded the bill to the Full Committee on Natural Resources by unanimous consent without amendment. On November 15, 2007, the Full Natural Resources Committee met to consider the bill. Rep. Grace F. Napolitano, (D–CA) offered an amendment in the nature of a substitute. This amendment further increased the authorized appropriation ceiling and specifically allocated additional funds for the CBMWD to continue the Water Quality Protection Project. The amendment further stipulated that CBMWD must provide a non-federal cost share of 35% of any future annual appropriations it receives as a part of the Restoration Fund. The amendment was adopted by unanimous consent. H.R. 123, as amended, was then ordered favorably reported to the House of Representatives by unanimous consent.

SECTION-BY-SECTION ANALYSIS

Section 1. San Gabriel Restoration Fund

Public Law 106–554 established the San Gabriel Restoration Fund with an appropriations ceiling of $85,000,000. Of this amount, $75,000,000 was made available to the WQA, and $10,000,000 was set aside for CBMWD. In past years, CBMWD and the WQA would seek one appropriation under the Restoration Fund, and split that appropriation between them. According to information supplied to the Committee by the Bureau of Reclamation, as of November 2007, CBMWD has received the full $10,000,000 originally authorized in P.L. 106–554, while the WQA has not yet received the full $75,000,000 originally authorized. Therefore, all funds currently left under the current authorization ceiling of $85,000,000 should be directed solely to the WQA.

H.R. 123, as amended, amends P.L. 106–554 to further raise the appropriations ceiling for the Restoration Fund by an additional $61,200,000, by striking $85,000,000 and inserting $146,200,000. Of this amount, an additional $50,000,000, or up to $135,000,000, will be available to the WQA once they have received their full appropriation under the original P.L. 106–554 authorizing language, and the $11,200,000 that remains within the overall $146,200,000 ceiling will be set aside for the CBMWD by striking $10,000,000 and inserting $21,200,000. H.R. 123, as amended, maintains the 35% non-federal cost share required by P.L. 106–554. However, H.R. 123, as amended, amends Public Law 106–554 to divide up re-

sponsibility for this cost share. Under the original authorizing language of Public Law 106–544, the WQA was responsible for the full 35% non-federal cost share of all funds appropriated under the Restoration Fund. H.R. 123, as amended, will now require that the WQA will only be responsible for providing 35% non-federal cost share of any funds they receive through the annual appropriations process, and requires that once CBMWD begins to draw down on the $21,200,000 ceiling, CBMWD will also be responsible for providing 35% non-federal cost share of any funds they receive.

As stated above, because CBMWD has already received their full $10,000,000 under the original authorization allowed under P.L. 106–554, the WQA is not bound to split any further appropriations granted under the current $85,000,000 ceiling with CBMWD. However, CBMWD retains the ability to seek their own appropriation and begin drawing down on the $21,200,000 ceiling as soon as this bill is enacted into law, provided that CBMWD can provide the 35% non-federal cost share of any funds they receive.

Further, the Committee is aware that once the WQA receives its full appropriation under the original authorization, should the WQA and CBMWD decide to pursue and split a single appropriation as they've done in the past, then the WQA and the CBMWD have mutually agreed that the WQA will continue to receive 90 percent of the annual appropriation under the new authorization ceiling and the CBMWD will continue to receive 10 percent of the annual appropriation to the Restoration Fund under the new authorization ceiling.

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 Natural 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. This bill does not authorize funding and therefore, clause 3(c)(4) of rule XIII of the Rules of the House of Representatives does not apply.

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:

H.R. 123—A bill to authorize appropriations for the San Gabriel Basin Restoration Fund

Summary: H.R. 123 would authorize the appropriation of additional amounts to the San Gabriel Basin Restoration Fund and would make use of those funds contingent on the provision of matching funds by local entities in the state of California.

Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 123 would cost $40 million over the 2008–2012 period. Unspent deposits into the fund would be credited with interest, and CBO estimates that enacting the legislation also would increase direct spending by $3 million over the 2008–2017 period because that interest could be spent without further appropriation. Enacting H.R. 123 would not affect revenues.

H.R. 123 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.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 123 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—											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008–2012	2008–2017
CHANGES IN DIRECT SPENDING												
Estimated Budget Authority	0	*	*	1	1	1	0	0	0	0	2	3
Estimated Outlays	0	*	*	1	1	1	0	0	0	0	2	3
CHANGES IN SPENDING SUBJECT TO APPROPRIATION												
Estimated Authorization Level [1]	0	12	12	12	12	13	0	0	0	0	48	61
Estimated Outlays	0	10	10	10	10	10	11	0	0	0	40	61

Note: * = direct spending of less than $500,000.
[1] A full-year appropriation for this program has not yet been provided for 2008.

Basis of estimate: For this estimate, CBO assumes that the bill will be enacted near the beginning of fiscal year 2008 and that the necessary amounts will be appropriated for each year.

H.R. 123 would authorize an increase in the total amounts that could be appropriated to the San Gabriel Basin Restoration Fund from $85 million to $146.2 million. (To date, $69 million has been appropriated.) The fund was established for the purpose of cleaning up and preventing contamination of groundwater in the San Gabriel River basin in California. The Secretary of the Interior, working in coordination with municipalities, is authorized to help design and construct water quality projects and reimburse the operation and maintenance costs of those facilities for up to 10 years.

Assuming appropriation of the necessary amounts, CBO estimates that implementing the legislation would result in additional discretionary spending of $40 million over the 2008–2012 period and an additional $21 million thereafter.

Funds deposited into the San Gabriel Basin Restoration Fund are credited with interest until they are spent. Those amounts are available for spending without further appropriation. Based on CBO's projections of the federal funds rate and estimated balances in the San Gabriel Basin Restoration Fund, CBO estimates that enacting H.R. 123 would increase net direct spending by $3 million over the 2008–2017 period.

Intergovernmental and private-sector impact: H.R. 123 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Assuming appropriation of the authorized amounts, the San Gabriel Basin Water Quality Authority and the Central Basin Municipal Water District would receive an additional $40 million for water restoration activities. Those entities would be required to provide matching funds, but those costs would be incurred voluntarily.

Estimate prepared by: Federal costs: Tyler Kruzich; Impact on State, local, and tribal governments: Melissa Merrell; Impact on the private sector: Amy Petz.

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104–4

This bill contains no unfunded mandates.

EARMARK STATEMENT

H.R. 123 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e) or 9(f) of rule XXI.

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):

MISCELLANEOUS APPROPRIATIONS ACT, 2001

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DIVISION B

TITLE I

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SEC. 110. SAN GABRIEL BASIN, CALIFORNIA. (a) SAN GABRIEL BASIN RESTORATION.—

(1) * * *

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(3) PURPOSES OF FUND.—

(A) * * *

(B) COST-SHARING LIMITATION.—

(i) * * *

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(iv) NON-FEDERAL MATCH.—After $85,000,000 has cumulatively been appropriated under subsection (d)(1), the remainder of Federal funds appropriated under subsection (d) shall be subject to the following matching requirement:

(I) SAN GABRIEL BASIN WATER QUALITY AUTHORITY.—The San Gabriel Basin Water Quality Authority shall be responsible for providing a 35 percent non-Federal match for Federal funds made available to the Authority under this Act.

(II) CENTRAL BASIN MUNICIPAL WATER DISTRICT.—The Central Basin Municipal Water District shall be responsible for providing a 35 percent non-Federal match for Federal funds made available to the District under this Act.

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[(d) AUTHORIZATION OF APPROPRIATIONS.—

[(1) IN GENERAL.—There is authorized to be appropriated to the Restoration Fund established under subsection (a) $85,000,000. Such funds shall remain available until expended.

[(2) SET-ASIDE.—Of the amounts appropriated under paragraph (1), no more than $10,000,000 shall be available to carry out the Central Basin Water Quality Project.]

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to the Restoration Fund established under subsection (a) $146,200,000. Such funds shall remain available until expended.

(2) SET-ASIDE.—Of the amounts appropriated under paragraph (1), no more than $21,200,000 shall be made available to carry out the Central Basin Water Quality Project.

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