

Committee on Resources

Subcommittee on Water & Power

Witness Statement

Honorable Eluid L. Martinez
Commissioner, Bureau of Reclamation
U.S. Department of the Interior
on the Title XVI Program (Water Reclamation and Reuse)
House Resources Subcommittee on Water and Power
July 13, 2000

Thank you for holding this hearing regarding the Bureau of Reclamation's Title XVI Water Reclamation and Reuse Program. The reclamation and reuse of water, otherwise known as water recycling, is important in supplementing available water supplies in the western United States. Water recycling allows wastewater to be reused for beneficial purposes such as landscape irrigation, industrial processes, and groundwater replenishment.

Through the Title XVI program, the Bureau of Reclamation (Reclamation) is working with cities, towns, and water districts to construct many of the 24 authorized projects, and is participating in appraisal and feasibility studies pursuant to law. Non-Federal cost-sharing partners pay at least 50 percent of feasibility study costs and 75 percent of the design, planning and construction costs. Unlike traditional Bureau of Reclamation projects, Title XVI projects are owned and operated by the non-Federal sponsor.

Projects that provide for the recycling of water result in a net increase in the available local water supplies and can decrease the need for water that must be supplied from other sources. Because wastewater for recycling is available even when other water supplies are diminished, recycled water can assist in providing a long-term, reliable, local source of water even during droughts.

Reclamation's water reuse program was initially authorized in Title XVI of Public Law 102-575, the Reclamation Wastewater and Groundwater Study and Facilities Act of 1992. Title XVI authorized the planning, design and construction of four projects in California and one project in Arizona. The projects in California are currently under construction, and the Arizona project is in the advanced planning stage. The 1992 statute also authorized a number of comprehensive regional studies including those in southern and northern California and one in Tucson, Arizona. The California studies are nearing completion and the Tucson study is underway.

Reclamation's water reuse program was expanded in 1996 when Public Law 104-266, the Reclamation Recycling and Water Conservation Act of 1996, was enacted. Congress authorized an additional 18 projects and made a few important changes to the Title XVI program. Prior to providing funds for construction, three prerequisites must be met: Reclamation or the non-Federal sponsor is required to complete a feasibility study; the Secretary must determine that the non-Federal sponsor is financially capable of funding the non-Federal share of the project costs; and the Secretary must approve a cost sharing agreement. Public Law 104-266 also capped the Federal contribution at \$20 million per project.

Public Law 105-321, the Oregon Public Lands Transfer Act of 1998, expanded the program further by authorizing an additional water reuse project, Willow Lake, for the city of Salem, Oregon. To date, of the 24 specifically authorized projects, 13 have received funding for construction, and four have received funding 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.

In order to provide guidance and assistance to current and future non-Federal Title XVI project sponsors, Reclamation developed the *Guidelines for Preparing, Reviewing, and Processing Water Reclamation and Reuse Project Proposals Under Title XVI of Public Law 102-575*. The purpose of the *Guidelines* is to provide information on how to comply with the statutory requirements of Title XVI and Reclamation policy applicable during the preconstruction phase of project development. In addition, the *Guidelines* explain how Reclamation prioritizes the request for 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 supplies.

Reclamation is also working to maintain and improve effective management of the title XVI program. We are currently moving to contract for an independent expert review of the program, which should provide an evaluation and recommendations within the next year.

Since Fiscal Year 1993, Reclamation has received about \$200 million for Title XVI related activities, most of which has been used for planning or actual construction associated with 17 specifically authorized Title XVI projects in the states of Oregon, California, Arizona, Nevada, Utah, New Mexico and Texas. Reclamation estimates that if all 17 projects that have received Federal funding to date are completed as planned by the project sponsors, as much as 500,000 acre-feet of new recycled water supplies could become available for beneficial use annually.

Congress to date has authorized projects estimated to cost \$3 billion, and the Federal government's share of these costs is well in excess of \$500 million. The approximately \$200 million appropriated to date for 17 of the 24 authorized projects 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.

Reclamation looks forward to continuing to work with the Congress to address the competing demands for funding under the Title XVI program. Water recycling will continue to play an important role in total water management strategies to provide a safe and sustainable water supply in the arid west.

Thank you for holding this important hearing. I would be pleased to answer any questions you may have.

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