Statement of Grayford F. Payne, Deputy Commissioner for Policy, Administration and Budget
Bureau of Reclamation
U.S. Department of the Interior
Before the
Subcommittee on Water and Power
Committee on Energy and Natural Resources
United States Senate

S. 1224 - Endangered Fish Recovery Programs Improvement Act
June 23, 2011

Madam Chairman and members of the Subcommittee, I am Grayford Payne, Deputy Commissioner for Policy, Administration and Budget at the Bureau of Reclamation (Reclamation). I am here today to provide the views of the Department of the Interior (Department) on S. 1224: the "Bureau of Reclamation Fish Recovery Programs Reauthorization Act of 2011." The Department strongly supports the Upper Colorado River Endangered Fish Recovery Program and San Juan River Recovery Implementation Program and twice testified before the 111th Congress in support of legislation related to S.1224. However, the Department does not support the language of S. 1224 as introduced. We would like to work with the Congress to find a mutually acceptable funding mechanism for this program.

The Upper Colorado River Endangered Fish Recovery Program and San Juan River Basin Recovery Implementation Program (Programs) share the dual goals of recovering populations of endangered fish while water development continues to meet current and future human needs. Program actions provide Endangered Species Act compliance for more than 2,100 federal, tribal, and non-federal water projects depleting more than 3.7 million acre-feet of water per year in the Colorado and San Juan rivers and their tributaries. The Programs, authorized by Public Law 106-392, as amended, were established under cooperative agreements in 1988 (Upper Colorado) and 1992 (San Juan). Program partners include the states of Colorado, New Mexico, Utah, and Wyoming; the Bureau of Reclamation, Western Area Power Administration, U.S. Fish and Wildlife Service, Bureau of Land Management, National Park Service, and Bureau of Indian Affairs; Native American tribes; environmental organizations; water users; and power customers.

Public Law 106-392 expressly authorized and capped the use of $6 million per year (indexed for inflation) of Colorado River Storage Project (CRSP) hydropower revenues from Glen Canyon Dam and other CRSP facilities to support the base funding needs of the Programs through 2011. Base funding is used for program management, scientific research, fish population monitoring, fish stocking, control of non-native fish, and operation and maintenance of capital projects. The bill, as introduced, could be interpreted to place the burden of providing annual base funding for anything other than operation and maintenance of capital projects and monitoring on annual appropriations requested by Reclamation. Given Reclamation's extensive water supply, conservation, and mitigation activities, this program would have to compete with other Reclamation priorities for funding.

These Programs have been nationally recognized for their cooperative approach to recovering aquatic native fish species, avoiding litigation, and providing Endangered Species Act compliance to federal and non-federal water users. Should the annual appropriations not materialize, Endangered Species Act compliance for 2,100 water projects and more than 3 million acre-feet of depletions will be in jeopardy.

That concludes my written statement. I would be pleased to answer any questions.

Statement of Grayford F. Payne, Deputy Commissioner for Policy, Administration and Budget
Bureau of Reclamation
U.S. Department of the Interior

Before the
Subcommittee on Water and Power
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S. 997 - East Bench Irrigation District Water Contract Extension Act
June 23, 2011

Madam Chairman and Members of the Subcommittee, I am Grayford Payne, Deputy Commissioner for Policy, Administration and Budget at the Bureau of Reclamation (Reclamation). I am pleased to provide the views of the Department of the Interior (Department) on S.997, the East Bench Irrigation District Water Contract Extension Act. The Department supports S. 997.

Reclamation's Clark Canyon Dam and Reservoir are located in southwest Montana and supply irrigation water under contract to the East Bench Irrigation District (EBID). EBID's water service contract with Reclamation was first executed in October 1958 and expired on December 31, 2005. Pursuant to Section 1 of the Act of May 15, 1922 (42 Stat. 541), Section 46 of the Omnibus Adjustment Act of 1926 (44 Stat. 649), and Section 85-7-1957, Montana Code Annotated, execution of a new contract between the United States and any irrigation district requires a Montana 5th District Court decree.

In 2006, EBID filed a petition with the court seeking court confirmation of the execution of their new proposed renewed contract with Reclamation. A hearing was convened on December 14, 2006, in Dillon, MT. One party appeared and filed an objection to the confirmation proceedings. The parties involved in this court confirmation case have filed various petitions and motions with the court. The court issued an order on April 26, 2007, in response to EBID's petition to dismiss the objection, dismissing some of the counterclaims filed by the objectors, but continuing with other counterclaims. No trial date has been set for this case and as a result, no court decree confirming the 2006 contract has been issued.

Additionally, prior year appropriations bills have extended the contracts for terms of up to two years. EBID remains concerned about losing their right to renew their 1958 contract if it is allowed to expire prior to securing a court decree of the renewed 2006 Contract. For this reason they are pursuing extension of the 1958 contract versus relying on a temporary water service contract.

Under current law, the 2006 contract is not binding on the United States until court confirmation is secured. A final decree from the court confirming the 2006 contract has not occurred. Therefore, EBID is seeking authority under S. 997 to extend the 1958 contract. S. 997 would extend the contract for four years (to December 31, 2013) or until a new contract is executed, and still defer to the court to take up the issue again at a time of its choosing. The Department supports this legislation because it would allow water service to the EBID to continue and protects the right for contract renewal while the court confirmation process is given time to be completed.

This concludes my statement. I am pleased to answer any questions the Subcommittee may have.

Statement of Grayford F. Payne, Deputy Commissioner for Policy, Administration and Budget
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S. 1033 – City of Hermiston, Oregon, Water Recycling and Reuse Project
June 23, 2011

Madam Chairman and Members of the Subcommittee, I am Grayford Payne, Deputy Commissioner for Policy, Administration and Budget at the Bureau of Reclamation (Reclamation). I am pleased to provide the views of the Department of the Interior (Department) on S. 1033, the City of Hermiston, Oregon, Water Recycling and Reuse Project. For reasons I will discuss below, the Department cannot support the bill.

S. 1033 would amend the Reclamation Wastewater and Groundwater Study and Facilities Act (Public Law 102-575, 43 U.S.C. 390h *et seq.*), commonly called Title XVI, to authorize the Secretary of the Interior to participate in the design, planning, and construction of permanent facilities needed to reclaim and reuse water in the City of Hermiston, Oregon. The project is being implemented by the City of Hermiston.

The City of Hermiston (City), located in north central Oregon, is one of the largest communities within Reclamation's Umatilla Project area. The project proposed by the City includes upgrades and construction at their existing wastewater treatment facility and construction of a delivery system that would deliver recycled water to the West Extension Irrigation District. This recycled water would be used by the District to irrigate agricultural lands. By 2031, it is estimated that this proposed project would provide the District with an approximate 2,034 acre-feet of drought resistant water supply during the irrigation season. The current total estimated cost for this project is approximately $25.8 million.

In January 2010, the City of Hermiston submitted their feasibility report to Reclamation for review under the Title XVI program. In April 2010, Reclamation's review team completed the review and made the certification that the proposed project "Meets Requirements" as defined under section 1604 of Public Law 102-575, as amended.

The City and Reclamation's Pacific Northwest Region are continuing to coordinate on actions that are necessary to be complete prior to implementation of the proposed project. This includes activities such as finalization of the determination of the project sponsor's financial capability, entering into a land use agreement since the delivery pipe is to cross Reclamation land, and entering into a permit to accept the delivery of this water into the canal.

S. 1033 would authorize the City of Hermiston's project under Title XVI for Federal funding not to exceed 25 percent of the total cost of the project.

While the Department supports efforts to increase local water supplies and increase recycled water use, this project would compete for funds with other needs within the Reclamation program, including other Title XVI projects currently under construction. In general, the Department supports the Title XVI Reclamation and Reuse program. The 2012 budget request includes funding for the Department's WaterSMART Program, of which Title XVI is an important element. Specifically, the 2012 budget request includes $29 million for the Title XVI program. This represents a significant increase over funding levels for the program in recent years.

As part of this total, the Department is requesting $23.4 million to fund Title XVI projects selected through a competitive funding opportunity process which uses criteria finalized in 2010 to identify activities most closely aligned with Title XVI statutory and program goals. Reclamation plans to invite sponsors of Congressionally authorized Title XVI projects to submit applications for funding under the program and will review and rank proposals against those criteria to identify projects for funding, subject to appropriations in fiscal year 2012. A similar procedure was used this year to identify projects for 2011 funding, which were announced last month. The remaining $5.6 million of the Title XVI request is to continue funding projects currently underway and for program administration.

We recognize that water reuse is an essential tool in stretching the limited water supplies in the West, and I believe the FY 2012 budget request on top of $140 million in American Recovery and Reinvestment Act funding for Title XVI has demonstrated the emphasis placed by this Administration on this Program. However, given that there are 53 already authorized Title XVI projects and numerous competing mission priorities and demands on Reclamation's budget, the Department cannot support the authorization of new Title XVI projects or extensions of existing authorized cost ceilings. Reclamation will, however, continue to work with project proponents to evaluate the completeness of feasibility studies of their projects.

Madam Chairman, this concludes my written statement. I am pleased to answer any questions.

Statement of Grayford F. Payne, Deputy Commissioner for Policy, Administration and Budget
Bureau of Reclamation

U.S. Department of the Interior

Before the
Subcommittee on Water and Power
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S. 1047 – the Leadville Mine Drainage Tunnel Act of 2011
June 23, 2011

Madam Chairman and Members of the Subcommittee, I am Grayford Payne, Deputy Commissioner for Policy, Administration and Budget at the Bureau of Reclamation (Reclamation). I am pleased to provide the views of the Department of the Interior (Department) on S. 1047, the Leadville Mine Drainage Tunnel Act of 2011.

The Department last testified before the Subcommittee on legislation related to the Leadville Mine Drainage Tunnel (LMDT) in June of 2010, and prior to that, in April of 2008. Since the last Congress, the sponsor has continued to refine the specific language of this bill, and incorporated reference to new information from the U.S. Environmental Protection Agency (EPA) and the Colorado Department of Public Health and Environment (CDPHE) regarding new management actions at the California Gulch National Priority List (Superfund) Site, which overlies the LMDT. S. 1047 is consistent with the Department's ongoing commitment to ensure that the LMDT poses no threat to public safety and the environment. The Department supports the revisions made to the bill to date and looks forward to working with the Committee on further refinements to clarify remaining concerns.

The bill has been substantially improved to address the concerns raised by the Department related to reimbursement and liability. In our previous testimony, the Department was particularly concerned that the bill could have been understood to create a liability for Reclamation where none currently exists. S. 1047 ameliorates these concerns by appropriately identifying ongoing responsibilities of the Secretary of the Interior. S. 1047 contains new language not found in previously introduced versions of the Leadville Mine Drainage Tunnel Act.[i] In particular, Section 3 of S. 1047 acknowledges the multi-agency nature of efforts underway at Leadville, and authorizes the Department to enter into agreements with other entities for reimbursement in the event of improvements or expansion of the treatment plant in Leadville. The bill language authorizes an agreement to cover costs for "any necessary capital improvement" as well as costs associated with "flows that are conveyed to the treatment plant," including surface water. We note that the Department interprets section 3 to affirm existing discretionary authority to improve or expand the treatment plant as well as to allow the Secretary to enter into reimbursement agreements with other entities with respect to the treatment plant.

We continue to assert that the language in Section 2 of the bill, which calls on the Secretary of the Interior to "take any action necessary to maintain the structural integrity of the [LMDT]," does not take into consideration Reclamation's 2008 Risk Assessment on the LMDT. The Assessment's purpose was to evaluate the stability and assess the risk associated with the LMDT. The Risk Assessment utilized a similar process to the one Reclamation uses to assess risk at its dams, a model that is an international standard for conducting risk assessments. The Risk Assessment's independent peer review confirmed that it is highly unlikely that a sudden release of water could occur from either a blockage in the LMDT, or through the bulkheads installed in the tunnel. Moreover, the Risk Assessment concluded that even if an existing natural blockage in the upper part of the LMDT failed rapidly, a sudden release of water through the lower blockage and bulkheads is unlikely. In 2008, Reclamation also worked cooperatively with the EPA and CDPHE to install additional drainage capability into the LMDT. We have also held several public meetings with residents living in the Village at East Fork and others in the Leadville area to convey Reclamation's findings that the LMDT is safe, and have continued an active dialogue with the EPA during the agency's revision of the proposed remedy for Operable Unit 6 (OU6) of the California Gulch National Priority List (Superfund) Site, which lies above the LMDT. We agree with the remedy selected in EPA's amended Record of Decision, published in 2010, which would implement actions to avoid diversion of water into the LMDT. Recent studies conducted by EPA conclude that using the mine workings and the LMDT to convey water cannot be relied on for the long term, and that it is neither cost effective nor efficient to treat diluted acid rock drainage this way in perpetuity. We have also had very productive interactions with Senator Mark Udall's office and the Subcommittee on this legislation, and we appreciate those discussions.

We recognize the desire of Congress to assure the residents of Leadville and the Village at East Fork that Reclamation will continue to manage its facilities appropriately, and be accountable. This legislation essentially codifies these ongoing actions for the long term.

This concludes my written statement. I am pleased to answer any questions the Subcommittee may have.

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[i] The Committee-reported version of S. 3404 during the 111th Congress was amended to include reimbursement language that is similar to the language found in this session's S. 1047; however, the reimbursement language was not part of S. 3404 at the time Reclamation testified on the bill on June 9, 2010.

Statement of Grayford F. Payne, Deputy Commissioner for Policy, Administration and Budget
Bureau of Reclamation
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S. 1225 - Fort Sumner Project Title Conveyance Act
June 23, 2011

Madam Chairman and members of the Subcommittee, I am Grayford Payne, Deputy Commissioner for Policy, Administration and Budget at the Bureau of Reclamation (Reclamation). I am pleased to provide the views of the Department of the Interior (Department) regarding S. 1225, which would authorize the Secretary of the Interior to convey title to all of the works of the Fort Sumner Project (including the diversion dam, easements, ditches, laterals, canals, drains, and other rights) to the Fort Sumner Irrigation District (FSID).

Reclamation was able to work from draft versions of this bill to formulate testimony in the days leading up to this hearing. Because the language has only recently been finalized for introduction this past week as S. 1225, this statement will speak to the major provisions, while some of the bill's language is still being analyzed. At this time, the Department believes consideration or enactment of S. 1225 is premature.

The FSID has been a good partner in assisting Reclamation with difficult Endangered Species Act (ESA) issues on the Pecos River. Although the Department supports the potential transfer of this facility in the future, it cannot presently support this legislation as it is written due to many unresolved issues involved in such a transfer, as described below. Reclamation and the FSID are in the midst of a collaborative process to ensure that we identify and address all of the operational, fiscal, environmental, and other issues that arise. However, at this time, that process is not complete and thus title transfer of these facilities should not move forward until completion of that process.

Title Transfer Process

Over the past ten plus years, the Bureau of Reclamation has had an opportunity to work on a number of title transfer proposals. It has been our experience that the more on-the-ground coordination and work we accomplish *before* the legislative process, and the more issues that we can resolve in advance, the faster the legislative process will go and as importantly, the faster we can successfully implement the legislation to get the lands and facilities transferred. While some have thought that moving to the legislative phase quickly would speed up the process, it has been our experience that we are more effective when we scope out, identify, and reach agreement on all issues prior to initiating the legislative process.

In this case, while we have taken some steps toward that collaborative process, we have several steps to go and it is our hope that Reclamation, together with the FSID and other stakeholders (such as the State of New Mexico and potentially other water users in the Pecos River system) can work through that process.

Currently, there are two Reclamation projects on the Pecos River: the Carlsbad and Fort Sumner Projects. The Fort Sumner Project was developed by private interests at the turn of the last century. It was reconstructed and rehabilitated by Reclamation in the 1950s. Reclamation and the FSID executed a contract in 1948 to provide for the repayment of construction costs to rehabilitate the project. The FSID has an annual repayment obligation of about $54,500 with an outstanding balance of approximately $652,000.

The FSID holds a senior water right for not more than 100 cubic feet per second from the natural flow of the Pecos River. Reclamation must bypass the FSID's water through Sumner Reservoir prior to storing water for the Carlsbad Project. Over the past ten years, Reclamation has consulted with the U.S. Fish and Wildlife Service (Service) to ensure that Federal actions are not jeopardizing the existence of the Pecos bluntnose shiner or adversely modifying its critical habitat located below FSID's diversion dam. In these consultations, Reclamation has committed to the Service to keep the Pecos River from becoming intermittent. A significant cause of drying on the Pecos is due to the FSID diverting its senior water right. The only way Reclamation has been able to keep the Pecos River flowing is by purchasing water from willing sellers and by paying the FSID not to divert water through a forbearance agreement.

In August 2009, Reclamation and FSID entered into a mutually beneficial agreement whereby FSID would forbear the diversion of up to 2,500 acre-feet of water annually for ten years when they would otherwise be in priority. Instead, this water goes into Sumner Lake reservoir where it is stored and delivered for Reclamation to prevent intermittency of flows on the Pecos River in compliance with the 2006 biological opinion. Reclamation pays FSID $60,000 annually plus $20 per acre-foot for the water. In addition to the forbearance of this water, FSID agreed to pursue ESA Section 10 consultation with the Service and Reclamation agreed to assist them in this process. Also in this agreement, FSID indicated their desire to take title to the facilities and Reclamation agreed to work with them on that process. The forbearance agreement further provides that the annual payments of $60,000 from Reclamation to FSID will cease upon passage of title transfer legislation. To date, this has been a mutually beneficial agreement. The forbearance water has afforded Reclamation with an additional tool to meet the biological opinion to ensure that the Pecos River does not run dry.

Therefore, initiating title transfer and the completion of the Section 10 process with the Service are closely interconnected processes. It is the Department's view that we cannot complete the title transfer without completing the Section 10 process.

As currently drafted, S. 1225 makes limited reference to the scoring or valuation issues that are important issues in title transfers. Section 5 requires the forgiveness of FSID's repayment obligation to the United States that was agreed upon by contract when the construction and rehabilitation of the facilities were undertaken. Consequently, as currently crafted, this would result in a financial loss to the U.S. Treasury. We note that this would trigger the need for consideration of fiscal impacts under the Statutory Pay-As-You-Go Act of 2010.

While Reclamation and the FSID have had some initial discussions about how to address this issue in an equitable manner, there has been no resolution and a significant amount of work needs to be done on this issue. One of the key unresolved issues is the terms of the ESA Section 10 agreement to be developed between FSID and the U.S. Fish and Wildlife Service. This agreement will have a bearing on the valuation, whether we would need to have a forbearance agreement after the title transfer, and whether we would need to buy water to meet the current ESA obligations on the Pecos River.

Because Reclamation has not yet had the opportunity to complete a public process to determine whether other interested citizens of New Mexico have concerns or interests in the proposal, we cannot with any certainty say that the title transfer proposed by S. 1225 would have either negative or positive impacts on other stakeholders. As part of the National Environmental Policy Act process, Reclamation would typically undertake a public scoping or outreach process to solicit the views of the public. It is our hope that we will have the opportunity to complete that process before the legislation is enacted so that Reclamation and FSID can collaboratively address any concerns up front or in the terms and conditions of the title transfer.

Before agreeing to title transfer, the FSID and the Service need to enter into a habitat conservation plan under Section 10 of the ESA. Reclamation can assist in this process and facilitate a plan and an agreement between the FSID and Service; but after completing Section 10 compliance, Reclamation will need to re-consult with the Service on its continued operations on the Pecos. This and other environmental compliance measures need to be completed before finalizing title transfer.

Lastly, Reclamation is unsure of the intent behind the language in Section 7 which references “future benefits from the Reclamation Fund.” We are interested in discussing this language further with the Subcommittee.

Currently, while the Department views the Fort Sumner Project as a goodcandidate for title transfer, legislation should await completion of the crucial and interconnected steps summarized above. To make determinations of the fiscal impact to the United States, the benefit to the public, and the responsibilities for environmental compliance, FSID and the Service, with Reclamation’s support, need to complete the process outlined in Section 10 of the ESA before title transfer occurs. Once we complete that process, we will have a better understanding of the necessary and appropriate terms and conditions associated with this title transfer. However, at this time, the Department believes this legislation is premature and would raise concerns about impacts on the U.S. Treasury as discussed above.

That concludes my written statement. I am pleased to respond to answer questions the Subcommittee may have.

Statement of Grayford F. Payne, Deputy Commissioner for Policy, Administration and Budget
Bureau of Reclamation
U.S. Department of the Interior
before the
Committee on Energy and Natural Resources
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United States Senate

S. 500 - South Utah Valley Electric Conveyance Act
June 23, 2011

Madam Chairman and Members of the Subcommittee, I am Grayford Payne, Deputy Commissioner for Policy, Administration and Budget at the Bureau of Reclamation (Reclamation). I am pleased to provide the views of the Department of the Interior (Department) regarding S. 500, legislation authorizing the transfer of the Federal portion of the Strawberry Valley Project Electric Distribution System to the South Utah Valley Electric Service District (District). Reclamation supports the title transfer contemplated by this bill and recommends revisions be made to the bill, which I describe below.

The Strawberry Valley Project (Project) is one of Reclamation's earliest projects, and all Federal obligations associated with the Project are fully repaid. Reclamation developed hydropower generation from the beginning because electricity was required to build the Project. Early in the Project's history, Reclamation transferred the operation and maintenance of most of the Project, including the Power System, to the Strawberry Water Users Association (Association).

The Strawberry Valley Project Power System has three parts: the powerplants are the Generation System, the high-voltage lines running from the powerplants to the substations are the Transmission System, and the low-voltage lines running from the substations to the customers are the Distribution System.

In 1986, the Association spun off the District – creating an independent service district with the capability to operate and maintain the Transmission and Distribution Systems. At the same time, the Association proposed selling the Distribution System to the District. Reclamation approved the proposed sale on the condition that the Association not transfer any Federal facilities. At the time, Reclamation required that the sale be limited to those portions of the Distribution System owned by the Association – those parts that were not completed as part of the original Strawberry Valley Project; constructed with Strawberry Valley Project revenues; and constructed on Federal lands or interests in lands. The District paid approximately $2.7 million for the non-Federal portions of the Distribution System. Reclamation approved the sale.

In 1986, Reclamation, the Association, and the District believed that most of the Distribution System was non-Federal. Later, it was determined that this was not accurate.

The 1940 Repayment Contract between the United States and the Association states clearly that all additions to the Power System are Federal facilities; little or none of the Distribution System was owned by the Association. The District is chagrined at having paid the Association for facilities it did not receive. The purpose of this Act is to convey to the District what all parties believed the District acquired in 1986.

The Act would likely have little effect on operation of the Strawberry Valley Project. The District would receive fee interest in those Federal lands on which the Distribution System is the only Federal feature. On Federal lands sharing both Distribution System and other Strawberry Valley Project facilities, the legislation grants the District an easement for access to perform maintenance on the Distribution System fixtures. This provision preserves the interest of the United States and the public in the other Strawberry Valley Project facilities. As for the rest of the Project, the organizations would remain responsible for operating and maintaining the Generation System and the Transmission System on behalf of the United States.

Because the Strawberry Valley Project is a paid-out Reclamation project, there is no outstanding repayment obligation associated with it. For this reason, the Act does not require any payment from the District in exchange for title to the Distribution facilities. In addition, the Act eliminates Reclamation's obligations to oversee the maintenance of the Distribution System and to administer the associated lands. The result may be a slight reduction in Reclamation expenditures.

The change in ownership under the bill will be relatively invisible to the public. Because the District has been operating and maintaining the Distribution System for several years, the public will witness a change in ownership but should not experience any change in operation. The Act will eliminate uncertainty about ownership and obligations associated with the Distribution System – which will likely lead to more efficient and effective operation of the Distribution System.

The Department recognizes that there are benefits to be achieved by the proposed title transfer and has worked closely and cooperatively with the interested parties. Before the Department can support S. 500, we recommend two revisions: First, Section 3(a), directing that "the Secretary…shall convey and assign" the facilities to be transferred, should be changed to "the Secretary…is authorized to convey and assign", thereby allowing for completion of the necessary public input and scoping pursuant to the National Environmental Policy Act (NEPA). And second, language should be added to state that the District shall hold the United States harmless for any claim arising from the 1986 sale of the Distribution System and from actions under this legislation.

In recent days, we have had discussions with the District about accelerating the NEPA process and making modifications to the legislation to address the concerns described in this testimony. As such, I am confident that we can work with the District, Senator Hatch, Representative Chaffetz, and the Subcommittee to reach our goal of supporting this legislation and transferring title to these facilities in a timely manner.

This concludes my written statement. I am pleased to answer any questions.

Statement of Grayford F. Payne, Deputy Commissioner for Policy, Administration and Budget
Bureau of Reclamation
U.S. Department of the Interior
Before the
Committee on Energy and Natural Resources
Subcommittee on Water and Power
United States Senate

S. 802 – Lake Thunderbird Efficient Use Act of 2011
June 23, 2011

Madam Chairman and members of the Subcommittee, I am Grayford Payne, Deputy Commissioner for Policy, Administration and Budget at the Bureau of Reclamation (Reclamation). I am pleased to present the views of the Department of the Interior (Department) on S. 802, a bill to authorize the Secretary of the Interior to allow the storage and conveyance of non-project water at the Norman Project in Oklahoma. For reasons I will discuss below, the Department supports this bill.

Lake Thunderbird, located on the Little River in central Oklahoma, was constructed as part of the Norman Project for municipal and industrial water supply, flood control, recreation, and fish & wildlife purposes. The Central Oklahoma Master Conservancy District (District) operates the Norman Project under contract with the United States. The District holds all Project water rights and currently provides water to the member cities of Norman, Del City and Midwest City.

The Lake Thunderbird watershed experienced a major drought between 2005 and 2006 which resulted in unprecedented low lake levels. Shortly thereafter, the District and Reclamation jointly determined that the stored water supply in the lake would require augmentation in the future to meet demands of the member cities during potential reoccurring drought periods.

S. 802 would facilitate a proposal by the District to purchase raw water from the City of Oklahoma City in times of drought and store it in Lake Thunderbird to augment the yield of the reservoir. The water would come from Atoka Reservoir in southeast Oklahoma, which is owned and operated by Oklahoma City. Oklahoma City conveys this water approximately 100 miles through the existing Atoka pipeline which crosses the Lake Thunderbird watershed just upstream of the reservoir. The District and Oklahoma City would tap the Atoka pipeline and construct a short pipeline to Lake Thunderbird. Because the purchased water does not originate within the Lake Thunderbird watershed, Reclamation does not have authority to approve this action. If S. 802 were enacted, Reclamation could approve a water service contract and provide the means for the action to move forward.

The Department supports this legislation because: (1) Reclamation has confirmed an immediate and critical water need exists; (2) studies conducted in 2010 indicate that Lake Thunderbird can be used to store up to 4,600 acre feet of non-project water, if and when space is available, with no adverse impacts to operations, the environment, recreation, and the local economy; (3) the action would be carried out solely by the District at no cost to the Federal government; and (4) based on a well attended public meeting in 2009 and on comments received on the environmental compliance document, the proposed action is generally supported by interested parties and no known opposition exists.

Madam Chairman, this concludes my written statement. I am pleased to answer any questions.