

**Statement of Timothy R. Petty, Ph.D.**  
**Assistant Secretary for Water and Science**  
**U.S. Department of the Interior**  
**Before the**  
**Subcommittee on Water and Power**  
**Committee on Energy and Natural Resources**  
**U.S. Senate**

**S. 3001, the Contra Costa Canal Title Transfer Act**

**Wednesday, June 13, 2018**

Chairman Flake, Ranking Member Cortez Masto and members of the Subcommittee, I am Dr. Tim Petty, the Assistant Secretary for Water and Science at the Department of the Interior (Department). Thank you for the opportunity to provide the views of the Department on S. 3001, the Contra Costa Canal Title Transfer Act.

S. 3001 directs the Department to offer to transfer and convey to the Contra Costa County Water District (District) all right, title, and interest of the United States in and to the Contra Costa Canal (Canal) within 180 days of enactment of this Act. The Canal, as defined in S. 3001, includes the entirety of the Contra Costa Canal Unit of the Central Valley Project (CVP), including pipelines, conduits, pumping plants, aqueducts, laterals, water storage and regulatory facilities, electric substations, related works, and improvements and all interests in land associated within the unit, not including the Rock Slough fish screen facility. The lands under consideration to be transferred are currently under the jurisdiction of the Bureau of Reclamation, the Western Area Power Administration, and the Department of Defense. The District has been effectively operating and maintain these facilities. The title transfer of the Canal will maintain this arrangement into the future.

The Department recognizes that the District is a longtime CVP contractor, and that even with enactment of S. 3001, the District would continue to pay their share of CVP operations and maintenance and repayment through their water service rates.

If the conveyance has not been completed within 12 months, Interior is required to submit Congress an explanation and the date by which the conveyance will be completed.

The Department has an active title transfer program and supports transferring certain Reclamation project facilities to non-Federal entities, particularly in cases where transfers could create opportunities, not just for those who receive title, but for other stakeholders and the public as well. Specifically, a streamlined title transfer process for uncomplicated transfers creates incentives for non-Federal entities to closely engage with Reclamation to complete the process and allow for appropriate transfers to take place without legislation. This approach is reflected in the Administration's Title Transfer legislative proposal, transmitted to Congress in February of this year.

Mr. Chairman, it is important to note that in most cases, Reclamation and the entity interested in taking title must complete environmental compliance activities and negotiate the terms and conditions of the transfer before pursuing legislation. Reclamation has been working with the District closely on this effort and will continue to do so. However, this legislation, as currently drafted would authorize the transfer before those steps are completed.

Instead, we recommend that the conveyance be completed pursuant to a title transfer agreement developed between the Department and the District, in consultation with other stakeholders, including the East Bay Regional Park District, the City of Antioch and the City of Walnut Creek. This will enable Reclamation, the District and the other stakeholders to work through the upfront activities necessary to complete a title transfer. We have had situations in previous transfers where additional legislation was required because the terms and conditions were dictated exclusively in the legislation and there was no flexibility to address unanticipated problems on this matter.

Further, it is important that the legislation protect the financial interests of the taxpayers. While the District has completed its repayment obligation for its share of construction costs of the Canal, we need to account for revenues from other contracts, leases and agreements that currently come to the United States, but would transfer to the District under this Act. We recommend that the legislation acknowledge this requirement.

We would be pleased to work with the Committee, the sponsors and the District on legislative language to reflect these necessary modifications. In the meantime, we recommend that Reclamation and the District complete a valuation analysis to ensure that the financial interests of the United States are protected and that the results be reflected in the title transfer agreement that is referenced in the legislation.

Mr. Chairman, Reclamation has been working closely with the District on this issue and we look forward to continuing that progress. We believe that if structured properly, the transfer of these facilities will improve the efficiency and effectiveness of the Canal's operations by getting control of the lands and facilities into the hands of those who best understand the needs of the community.

With these modifications, the Department is pleased to support this legislation. This completes my statement, I am happy to answer questions at the appropriate time.