



# Western States Water

## Addressing Water Needs and Strategies for a Sustainable Future

942 E. North Union Ave / Suite A-201 / Midvale, UT 84047 / (801) 561-5300 / FAX 255-9642 / [www.westgov.org/wswc](http://www.westgov.org/wswc)

Chairman - Garland Erbele; Executive Director - Craig Bell; Editor - Tony Willardson; Subscriptions - Julie Groat

### **ADMINISTRATION UPDATE**

#### **Bureau of Indian Affairs**

On May 19, the Senate confirmed Larry EchoHawk as the Assistant Secretary for Indian Affairs within the Department of Interior, a position that has been vacant for four of the last eight years. EchoHawk, a law professor at Brigham Young University in Utah and a former Idaho Attorney General, will develop Interior's policy on Indian-related issues and oversee the Bureau of Indian Affairs and the Office of Indian Energy and Economic Development. Interior Secretary Ken Salazar lauded EchoHawk's confirmation in a press release, saying, "Together we will work cooperatively with the federally-recognized tribes to empower American Indian and Alaska Native people, restore the integrity of the government-to-government relationship and fulfill the United States' trust responsibilities." EchoHawk said, "It's the opportunity to impact the lives of nearly 2 million American Indians and Alaska natives. Many of these people live in poverty.... I'm going to do whatever I can to improve their quality of life."

#### **Department of the Interior**

On May 20, the Senate confirmed David J. Hayes as the Deputy Secretary of the Department of Interior after Senators Bob Bennett (R-UT) and Lisa Murkowski (R-AK) released their holds on the nomination. Bennett had blocked Hayes' nomination demanding a detailed explanation for Interior's cancellation of the sale of 77 oil and gas leases in Utah. Salazar promised Bennett that Hayes will promptly review the leases and respond to Bennett's concerns. As Deputy Secretary, Hayes will work with Secretary Salazar on key issues related to western water rights, federal land management, and national parks and Indian tribes. Hayes, an attorney with Latham & Watkins, served previously as Deputy Secretary during the Clinton Administration, and worked on the Obama-Biden transition team (WSW # 1817).

### **WATER RESOURCES**

#### **Bureau of Reclamation**

The Bureau of Reclamation's FY2010 budget request totals \$1.021B, offset by \$35M in discretionary receipts from the Central Valley Project Restoration Fund for a net discretionary budget authority of \$985.6M, a \$37M decrease from FY 2009. However, this is in addition to

the \$1B that Reclamation received under the Stimulus package. If approved, the spending would be allocated among the following categories: (1) water and related resources (\$893M); (2) policy and administration (\$61M); (3) the Central Valley Project Restoration Fund (\$35M); and (4) the California Bay Delta Restoration Fund (\$31M). With respect to specific projects, there is: \$54M for the Animas La Plata Project; \$133 for Central Valley Projects; \$18M for the Central Arizona Project; \$48.8M for facility maintenance; \$39M for water reclamation and reuse; \$19M for the Endangered Species Recovery Program; \$102M for dam safety; \$488,000 for drought emergency assistance; \$25M for the Klamath Project; \$5M for the Rio Grande Project; and \$64M for rural water programs. The budget also separately requests \$42M for the Central Utah Project.

In addition, the budget request also allocates \$46M to the Water Conservation Initiative by providing \$33M in Challenge Grants, \$4M to basin studies, and \$9M to Title XVI projects. These grants will be available for water marketing projects, water efficiency and conservation projects, projects that improve water management, and pilot and demonstration projects that show the economic viability of treating and using brackish groundwater, seawater, or impaired waters.

#### **U.S. Army Corps of Engineers**

The Obama Administration has proposed a FY 2010 budget of \$5.1B for the U.S. Army Corps of Engineers, representing a \$300M decrease from the agency's 2009 budget of \$5.4B. Although the Corps has a \$61B project backlog, funding for construction projects would drop from \$2B to \$1.6B under the new budget. In addition, funding for the Corps' investigations program, which funds studies related to Corps' projects would drop \$68M to \$100M, while spending to clean up atomic energy contamination would decrease from \$140M to \$134M. However, again, the Corps received \$4.6B for water projects under the Stimulus package, including \$2B for construction and \$200M for environmental infrastructure. In addition, the budget would increase funding for operations and maintenance from \$2.2B to \$2.5B. Reservoir maintenance would also receive an additional \$150M, up from \$425M in 2009, while dam and lock maintenance would increase from \$400M to \$580M. The Corps' permitting and enforcement programs would receive \$190M, up slightly from \$183M.

## **U.S. Geological Survey**

President Obama's FY2010 budget for the U.S. Geological Survey (USGS) requests \$1.1B, a \$54M increase from FY2009, with \$22M going towards climate change activities as part of a \$133M increase for Interior agencies' budgets aimed at addressing climate change. The budget would also allocate \$228M to the Water Resources Investigations Program, of which \$27.7M would go towards enhancing the National Streamgauge Network, representing a \$5.3M increase. According to a USGS summary, this money would "...re-establish discontinued streamgages with emphases on those stations with the greatest potential to provide information in support of climate change monitoring." Other funding of note includes: \$8.2M for Groundwater Resources; \$66.5M for National Water Quality Assessment; \$11M for Toxic Substances Hydrology; \$12.2M for Hydrologic Research and Development; \$30M for Hydrologic Networks and Analysis; \$65.5M for the Cooperative Water Program; and \$6.5M for the Water Resources Research Act Program.

### **CONGRESSIONAL UPDATE** **WATER Act**

On May 13, Senate Majority Leader Senator Harry Reid (D-NV) introduced the Drinking Water Adaptation, Technology, Education and Research Act (S. 1035). The "WATER" bill would authorize \$25M for FY2010 through FY2020 to establish a program for "directed and applied research" to assist utilities in "adapting to the effects of climate change." The program would conduct research in the following areas: (1) water quality impacts and solutions; (2) impacts on groundwater supplies from carbon sequestration; (3) water quantity impacts and solutions; (4) infrastructure impacts and solutions for water treatment and wastewater treatment facilities and underground pipelines; (5) desalination, water reuse and alternative supply technologies; (6) energy efficiency and greenhouse gas minimization; (7) regional and hydrological basin cooperative water management solutions; (8) utility management, decision support systems, and water management models; (9) reducing greenhouse gas emissions and improving energy demand management; (10) water conservation and demand management; and (11) communications, education, and public acceptance.

The Environmental Protection Agency, in cooperation with the Departments of Commerce, Energy, and Interior, would establish and fund the program, which would be "conducted through a nonprofit drinking water research foundation and sponsored by water utilities." The bill has been referred to the Environment and Public Works Committee, chaired by Senator Barbara Boxer (D-CA), a cosponsor. Another cosponsor is Senator Dianne Feinstein (D-CA), the Appropriations Committee's Interior and Environment Subcommittee Chair, with jurisdiction over EPA spending.

Reid explained the need for the bill in a press release, saying, "The impacts of climate change on our world, especially here in the American West, are unmistakable.... In order to combat these negative effects, we must be able to quantify the damage and create the most efficient and intelligent solutions that protect both our quality of life and our natural treasures."

### **WATER QUALITY** **State Revolving Funds**

On May 14, the Senate Environment and Public Works Committee reported the Water Infrastructure Financing Act (S.1005), which would authorize nearly \$35B in new federal assistance, including money for the Clean Water and Drinking Water State Revolving Funds (SRFs). It would authorize SRF funding of \$20B and \$14.7B respectively over five years, provide additional flexibility within the Clean Water SRF for low income communities, and expand eligibility to include funding of storm water management, water conservation, and water reuse and recycling projects. Other highlights include a \$1.85B national grant program to address sewer overflows, a \$50M nationwide grant program to address agricultural water quality issues, and new incentives for green infrastructure projects. The bill now heads to the Senate floor for debate.

Water and Wildlife Subcommittee Chairman Benjamin L. Cardin (D-MD) introduced the bill, and its co-sponsors included Committee Chairwoman Barbara Boxer (D-CA), Ranking Member James Inhofe (R-OK), and Subcommittee Ranking Member Mike Crapo (R-ID). Senator Boxer praised the bill's approval as a "historic milestone," saying: "Thanks to the partnership among the four key leaders from both parties on the Committee, we have reported a bill that invests in protecting the health of American families, that creates jobs and encourages communities to use the latest green technologies." Senator Crapo offered similar praise, calling the bill a "significant breakthrough for clean water in this country," while Senator Inhofe said it "...will go a long way in helping our state and local communities meet their water needs."

The Clean Water SRF provides low-interest loans and grants primarily for wastewater treatment projects, while the Drinking Water SRF provides low-interest loans for drinking water systems to finance improvements and also funds small communities and programs encouraging pollution prevention to ensure safe drinking water. The bill's funding authorization far exceeds the WSWC's calls for minimum annual appropriations of \$1.35B for the Clean Water SRF and \$850M for the Drinking Water SRF. WSWC Position No. 295 – adopted March 7, 2008 – also called for "greater flexibility and fewer restrictions on state SRF management.... States – large and small – face different fiscal challenges and need to have the flexibility to meet their required match in accordance with their individual situation."

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