

**Statement of Robert Quint
Acting Deputy Commissioner, Bureau of Reclamation
U.S. Department of the Interior
Before the
House Natural Resources Committee
Subcommittee on Water and Power**

**On H.R. 123
September 25, 2007**

Madam Chairwoman and Members of the Subcommittee, I am Robert Quint, Acting Deputy Commissioner of the Bureau of Reclamation. I am pleased to be here today to give the Department's views on H.R. 123, a proposal to increase the ceiling on funds authorized to be appropriated to the San Gabriel Basin Restoration Fund. The Administration does not support H.R. 123.

Groundwater contamination was first detected in the San Gabriel Valley in 1979. Following this discovery, the U.S. Environmental Protection Agency designated major portions of the region's groundwater as Superfund sites. Between 1990 and 1997, EPA identified Potentially Responsible Parties at the site who then engaged in negotiations with local water agencies and began initial design work on an EPA-developed basin-wide plan to set cleanup priorities. After reaching a detailed agreement with seven local water agencies in March 2002, design work was completed and construction work began. Construction of the four planned groundwater extraction and treatment facilities was largely completed in 2006.

As part of this effort to clean up the groundwater contamination in the San Gabriel Basin and prevent the contamination from spreading into the adjacent Central Basin, the San Gabriel Basin Restoration Fund (Fund) was established in 2001 by P.L. 106-554. Originally established as a Defense Department account and subsequently transferred to the Interior Department, this interest-bearing account reimburses the San Gabriel Basin Water Quality Authority (WQA) and the Central Basin Municipal Water District (District) for designing and constructing facilities that help with groundwater cleanup efforts in the Basin. The Fund is also authorized to reimburse the WQA and District for operating and maintaining these facilities for up to 10 years. A 35 percent non-Federal share is required for projects. This cost-share can be met by credits given to the WQA for expenditures used for water quality projects that have already been built in the San Gabriel Basin, in lieu of depositing the required 35 percent non-Federal share for these projects into the Fund. To date, the entire non-Federal share has been met by credits that have been certified by Reclamation.

In Fiscal Year 2001, Congress appropriated \$23 million for deposit into the Fund. The Energy and Water Appropriations Act for Fiscal Year 2002 (P.L. 107-66), transferred administrative responsibility for the fund from the Secretary of the Army to the Secretary

of the Interior, and appropriated an additional \$12 million. Appropriations in fiscal years 2003-2006 brought the total deposits to the Fund to \$68.75 million. In addition, the Fund has accumulated over \$ 2.5 million in interest.

Reclamation has executed six grant agreements under the Restoration Fund authority. One grant agreement is with the Central Basin Municipal Water District, covering design, construction, operation, and maintenance of their facility, up to the \$10 million ceiling established by the legislation for this component. The other five agreements are with the WQA. Four cover the design and construction of specific facilities, and the fifth agreement covers operation and maintenance of those four facilities.

The total estimated cost of the project authorized by the legislation is about \$204 million. Based on this cost estimate, about \$69 million would be allocated for the completion of the construction of all five facilities, and about \$135 million would be allocated to fund the operation and maintenance of all five facilities for 10 years, as authorized.

The San Gabriel Basin Restoration Fund is and will continue to be used for important local projects. Reclamation must allocate its scarce budget toward funding already authorized projects within the agency's traditional mission of delivering water and power in an environmentally responsible and cost-efficient manner, with emphasis on the needs of aging infrastructure, the safety of existing facilities and dams, and ongoing environmental restoration efforts. The Administration has not budgeted for the San Gabriel Restoration Fund in any of the preceding fiscal years. The Administration believes that resources should be allocated to achieving priorities within Reclamation's traditional mission area and does not support the \$50 million cost ceiling increase proposed in HR 123. Reclamation, however, will continue to work with the WQA and the District when possible to advance the goal of groundwater cleanup in the San Gabriel Basin.

Madam Chairwoman, this concludes my testimony. Thank you for the opportunity to comment on H.R. 123. I would be happy to answer any questions at this time.