

STATEMENT OF KARL STOCK,  
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U.S. DEPARTMENT OF THE INTERIOR  
BEFORE THE  
NATURAL RESOURCES COMMITTEE  
SUBCOMMITTEE ON WATER, OCEANS AND WILDLIFE  
U.S. HOUSE OF REPRESENTATIVES  
ON

H.R.3237, THE PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM EXTENSION ACT AND  
H.R. 3723, THE DESALINATION DEVELOPMENT ACT

July 25, 2019

Chairman Huffman, Ranking Member McClintock, and members of the Subcommittee, I am Karl Stock, Acting Director of Policy and Administration for the Bureau of Reclamation within the Department of the Interior (Interior). Thank you for the opportunity to provide Interior's views on H.R.3237, the Platte River Recovery Implementation Program Extension Act and H.R. 3723, the Desalination Development Act.

**H.R. 3237, the Platte River Recovery Implementation Program Extension Act**

The Department's participation, collaboration with the States of Colorado, Wyoming, and Nebraska, in the Platte River Recover Implementation Program (Program) was authorized under Sec. 515 of the Consolidated Natural Resources Act of 2008 (P.L. 110-229.) H.R. 3237 would reauthorize the Department's continued participation, allowing for an extension of the Program for thirteen years from January 1, 2020 through December 31, 2032. During the first thirteen years of the Program (referred to as the "First Increment") eight of ten milestones have been achieved, with two remaining. One remaining milestone is the Program's Water Action Plan, which is to provide 50,000 acre-feet of water for shortage reduction to U.S. Fish and Wildlife Service target flows in the central Platte River. The other remaining milestone is the completion of the Nebraska New Depletions Plan, which is a responsibility of the state of Nebraska.

The Program has allowed existing water and power related projects with a federal nexus within the Platte River basin, including Reclamation's projects on the North and South Platte Rivers, to continue to operate as they have historically while providing an avenue for new water development projects to be developed in compliance with the Endangered Species Act through more efficient, streamlined consultations. The Program has implemented five Water Action Plan projects which provide approximately 14,000 acre-feet of water on an annual basis and has acquired an interest in approximately 12,600 acres of habitat for threatened and endangered species. In addition, the Program has implemented an Integrated Monitoring and Research Plan and Adaptive Management Plan to monitor target species, Central Platte River habitat conditions, and the effects of Program management actions on the species.

The Program has been successful, providing an avenue for different parties and competing interests to find collaborative solutions to improving habitat conditions for the target species while allowing water use and development within the Platte River basin to continue. If the Program is not reauthorized, regulatory certainty for water and power users within the Platte River basin could be lost, which would jeopardize the continued operation of Reclamation projects in the basin and have detrimental effects on the delivery of water and power to Reclamation customers.

The Platte River Recovery Implementation Program is important to providing continued ESA compliance for the operation of Reclamation projects in the Platte River basin. The Department is supportive and urges reauthorization.

### **H.R. 3723, the Desalination Development Act**

H.R. 3723, the Desalination Development Act, would broaden the eligibility for an “eligible desalination project” to include private projects, in certain circumstances. In addition, H.R. 3723 authorizes significant appropriations for desalination projects and includes detailed prioritization guidance for the Secretary and the Commissioner to use in making funding decisions.

#### Section 2 - Definition of Eligible Desalination Project and Determination of Financial Solvency

Section 2 seeks to clarify project eligibility where a private entity will construct, operate, and maintain the proposed facility. Currently, the WIIN Act requires that such projects be “sponsored” by a State, department of a State, subdivision of a State, or public agency organized pursuant to State law to be eligible. The bill would expand eligibility to include a project constructed, operated, and maintained by a private entity if the project is “sponsored” or funded (including indirectly sponsored or funded) by a State, department of a State, subdivision of a State, or public agency organized pursuant to State law. In this scenario, we believe the private entity would be an eligible entity that could apply for funding; however, the ‘indirect sponsorship or funding’ criteria is unclear.

Section 2 would require that the Secretary concur that “(II) sufficient non-Federal funding is available to complete the eligible desalination project; and (III) the eligible desalination project sponsors are financially solvent.” Other Reclamation programs such as the Title XVI Water Recycling Grant Program have similar requirements and as a technical edit we would suggest deleting these two requirements and replacing them with a requirement that the Secretary find that “the non-Federal project sponsor is financially capable of funding the non-Federal share of the project’s costs.”

Section 2 of H.R. 3723 would also authorize \$260 million in appropriations from fiscal years 2020 to 2024. This would be a significant increase from the \$30 million in appropriations currently authorized by section 4009(f) of the WIIN Act. There are currently only 10 projects eligible to compete for desalination project funding under the WIIN Act. In fiscal year 2018, Reclamation received 6 proposals for WIIN Desalination projects for a total federal funding request of approximately \$54 million. In fiscal year 2019, Reclamation received 3 proposals for a

total federal funding request of approximately \$26 million. As currently drafted the bill authorizes more funding than our experience suggests interest in the program exists.

### Section 3 - Prioritization Criteria

Section 3 of H.R. 3723 also proposes prioritizing projects that have specific benefits or characteristics. Reclamation questions whether the significant and detailed prioritization would allow full participation by all Reclamation states.

Reclamation encourages a diversity of resources as part of the overall water supply strategy. While desalination is a part of that overall strategy, we have concerns with enactment of legislation that significantly expands Reclamation's mission by authorizing funding of private facilities, and authorizing appropriations for desalination projects far in excess of current demand. Additionally, we are concerned that different parts of the bill purport to require Reclamation to either comply with or interpret state law, placing undue burdens on program implementation. For these reasons, Reclamation opposes this bill.

### **Conclusion**

Thank you for the opportunity to provide the Department's views on these pieces of legislation. We look forward to working with the Committee on ways to improve western water reliability.