

INCREASE IN FEDERAL SHARE OF SAN GABRIEL BASIN
DEMONSTRATION PROJECT

JULY 14, 2003.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. POMBO, from the Committee on Resources,
submitted the following

R E P O R T

[To accompany H.R. 1284]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 1284) to amend the Reclamation Projects Authorization and Adjustment Act of 1992 to increase the Federal share of the costs of the San Gabriel Basin demonstration project, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 1284 is to amend the Reclamation Projects Authorization and Adjustment Act of 1992 to increase the Federal share of the costs of the San Gabriel Basin Demonstration Project.

BACKGROUND AND NEED FOR LEGISLATION

The San Gabriel Basin Demonstration Project was authorized in Sec. 1614 of the Reclamation Projects Authorization and Adjustment Act of 1992 (P.L. 102-575), as amended in 1996. The 1992 authorization allows the Secretary of the Interior to provide technical and Federal financial assistance to the local project sponsors, up to a maximum of 25 percent of the total cost of the project. Amendments in 1996 limited spending for this Demonstration Project to \$38 million.

The San Gabriel Basin in Southern California is facing serious water quality and public health problems. The aquifer underlying the Basin is contaminated with a variety of hazardous substances, and several areas within the San Gabriel Valley have been placed on the national priority list by the EPA and are in the process of

a Superfund cleanup. Groundwater in the aquifer provides drinking water for almost 1.5 million people in southern California, and contamination is threatening water supplies. Volatile Organic Compounds (VOCs) are the contaminants of primary concern. Perchlorate is also known to be present in the groundwater.

Acting under the authority provided by Sec. 1614 of P.L. 102-575, the Bureau of Reclamation is assisting in a project that will extract groundwater from an area in the Valley known as the Baldwin Park Operating Unit (designated as an Environmental Protection Agency Superfund site). Facilities are being built to treat the water to remove the volatile organic compounds and to deliver the treated water to entities for beneficial use.

Since the Bureau of Reclamation was first authorized to participate in this project nearly eleven years ago, local project sponsors have expressed a desire to expand the scope of the Demonstration Project by increasing funding for three bordering operating units, known as Puente Valley, El Monte, and South El Monte Operable Units. Because the currently authorized spending limit is not adequate to allow the Bureau of Reclamation to fund these three units, an increase in the project cost ceiling is required. H.R. 1284 would increase the authorized Federal cost ceiling for the San Gabriel Basin Demonstration Project by \$12,500,000 to cover these increased funding needs.

Federal funds in the amount of \$31,508,126 have been appropriated thus far for nine component projects of the San Gabriel Basin Demonstration Project. Under the increased cost ceiling in H.R. 1284, \$4.5 million would be available to assist the City of Industry, California's work to treat VOCs at the Puente Valley Operable Unit, while \$6.6 million would be available for the El Monte and South El Monte Operable Unit groundwater treatment projects. In addition, funds would be available for other projects now in the early planning stages.

COMMITTEE ACTION

H.R. 1284 was introduced on March 13, 2003, by Congresswoman Grace Napolitano (D-CA). The bill was referred to the Committee on Resources, and within the Committee to the Subcommittee on Water and Power. On April 1, 2003, the Subcommittee held a hearing on the bill. On April 3, 2003, the Subcommittee met to mark up the bill. The bill was ordered favorably reported to the Full Resources Committee by voice vote. On June 11, 2003, the Full Resources Committee met to consider the bill. No amendments were offered and the bill was ordered favorably reported to the House of Representatives by unanimous consent.

SECTION-BY-SECTION

Section 1. Increase of Federal share of San Gabriel Demonstration Project

This section increases the cost ceiling of the San Gabriel Demonstration Project by \$12.5 million.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 of the Constitution of the United States grants Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

3. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to increase the Federal share of the costs of the San Gabriel Basin Demonstration Project.

4. Congressional Budget Office Cost Estimate. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 25, 2003.

Hon. RICHARD POMBO,
Chairman, Committee on Resources, House of Representatives,
Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1284, a bill to amend the Reclamation Projects Authorization and Adjustment Act of 1992, to increase the Federal share of the costs of the San Gabriel Basin Demonstration Project.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Julie Middleton.

Sincerely,

DOUGLAS HOLTZ-EAKIN,
Director.

Enclosure.

H.R. 1284—A bill to amend the Reclamation Projects Authorization and Adjustment Act of 1992 to increase the Federal share of the costs of the San Gabriel Basin Demonstration Project

Summary: H.R. 1284 would increase the amounts authorized to be appropriated for the San Gabriel Basin Demonstration Project in California by \$12.5 million. Under current law, \$38 million has been authorized to be appropriated for this project, and about \$29 million has been appropriated to date. The project is designed to improve the quality and storage capacity of groundwater in the San Gabriel Basin. The increase in the authorized funding level would allow the Bureau of Reclamation to assist in the expansion of the project to include more facilities.

Assuming appropriation of the authorized amount, CBO estimates that implementing the bill would cost about \$11 million over the 2004–2008 period, and an additional \$1.5 million after that period. Enacting H.R. 1284 would not affect direct spending or revenues.

H.R. 1284 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on State, local, or tribal governments. Enacting this bill would benefit the project's local sponsors.

Estimated Cost to the Federal Government: The estimated budgetary impact of H.R. 1284 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal year, in millions of dollars—					
	2003	2004	2005	2006	2007	2008
SPENDING SUBJECT TO APPROPRIATION						
Estimated Spending Under Current Law ¹ :						
Estimated Authorization Level	1	5	4	0	0	0
Estimated Outlays	1	3	4	2	0	0
Proposed Changes:						
Estimated Authorization Level	0	0	0	5	4	4
Estimated Outlays	0	0	0	3	4	4
Spending Under H.R. 1284:						
Estimated Authorization Level	1	5	4	5	4	4
Estimated Outlays	1	3	4	5	4	4

¹ About \$9 million remain to be appropriated from the original authority for the San Gabriel Basin demonstration project. The 2003 level is the amount appropriated for that year for the project.

Basis of Estimate: For this estimate, CBO assumes that H.R. 1284 will be enacted near the start of fiscal year 2004 and that the necessary funds will be appropriated for each year. CBO estimates that implementing H.R. 1284 would cost about \$11 million over the 2004–2008 period, and an additional \$1.5 million after that period.

Under current law, \$9.2 million remain to be appropriated from the original authority of \$38 million for the San Gabriel Basin Demonstration Project. Based on information from the bureau, CBO expects that the funds authorized under this bill would not be required until 2006.

Intergovernmental and Private-Sector Impact: H.R. 1284 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on State, local, or tribal gov-

ernments. Enacting this bill would benefit the project's local sponsors.

Estimate prepared by: Federal costs, Julie Middleton; Impact on State, local, and tribal governments, Marjorie Miller; Impact on the private sector, Lauren Marks.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 1631 OF THE RECLAMATION PROJECTS AUTHORIZATION AND ADJUSTMENT ACT OF 1992

SEC. 1631. AUTHORIZATION OF APPROPRIATIONS.

(a) * * *

* * * * *

(d)(1) * * *

(2) **[In the case]**(A) *Subject to subparagraph (B), in the case of any project authorized by this title for which construction funds were appropriated before January 1, 1996, the Federal share of the cost of such project may not exceed the amount specified as the "total Federal obligation" for that project in the budget justification made by the Bureau of Reclamation for fiscal year 1997, as contained in part 3 of the report of the hearing held on March 27, 1996, before the Subcommittee on Energy and Water Development of the Committee on Appropriations of the House of Representatives.*

(B) In the case of the San Gabriel Basin demonstration project authorized by section 1614, the Federal share of the cost of such project may not exceed the sum determined by adding—

(i) the amount that applies to that project under subparagraph (A); and

(ii) \$12,500,000.