

FORT PECK RURAL COUNTY WATER SUPPLY SYSTEM ACT
OF 1996

SEPTEMBER 4, 1996.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Resources,
submitted the following

R E P O R T

[To accompany S. 1467]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the Act (S. 1467) to authorize the construction of the Fort Peck Rural County Water Supply System, to authorize assistance to the Fort Peck Rural County Water District, Inc., a nonprofit corporation, for the planning, design, and construction of the water supply system, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the Act as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Fort Peck Rural County Water Supply System Act of 1996”.

SEC. 2. DEFINITIONS.

For the purposes of this Act:

(1) **CONSTRUCTION.**—The term “construction” means such activities associated with the actual development or construction of facilities as are initiated on execution of contracts for construction.

(2) **DISTRICT.**—The term “District” means the Fort Peck Rural County Water District, Inc., a nonprofit corporation in Montana.

(3) **FEASIBILITY STUDY.**—The term “feasibility study” means the study entitled “Final Engineering Report and Alternative Evaluation for the Fort Peck Rural County Water District”, dated September 1994.

(4) **PLANNING.**—The term “planning” means activities such as data collection, evaluation, design, and other associated preconstruction activities required prior to the execution of contracts for construction.

(5) **SECRETARY.**—The term “Secretary” means the Secretary of the Interior.

(6) WATER SUPPLY SYSTEM.—The term “water supply system” means the Fort Peck Rural County Water Supply System, to be established and operated substantially in accordance with the feasibility study.

SEC. 3. FEDERAL ASSISTANCE FOR WATER SUPPLY SYSTEM.

(a) IN GENERAL.—Upon request of the District, the Secretary shall enter into a cooperative agreement with the District for the planning, design, and construction by the District of the water supply system. Title to this project shall remain in the name of the District.

(b) SERVICE AREA.—The water supply system shall provide for safe and adequate rural water supplies under the jurisdiction of the District in Valley County, northeastern Montana (as described in the feasibility study).

(c) AMOUNT OF FEDERAL CONTRIBUTION.—

(1) IN GENERAL.—Subject to paragraph (3), under the cooperative agreement, the Secretary shall pay the Federal share of—

(A) costs associated with the planning, design, and construction of the water supply system (as identified in the feasibility study); and

(B) such sums as are necessary to defray increases in the budget.

(2) FEDERAL SHARE.—The Federal share referred to in paragraph (1) shall be 75 percent and shall not be reimbursable.

(3) TOTAL.—The amount of Federal funds made available under the cooperative agreement shall not exceed the amount of funds authorized to be appropriated under section 4.

(4) LIMITATIONS.—Not more than 5 percent of the amount of Federal funds made available to the Secretary under section 4 may be used by the Secretary for activities associated with—

(A) compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(B) oversight of the planning, design, and construction by the District of the water supply system.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act \$5,800,000. This authorization shall terminate after a period of 5 complete fiscal years after the date of enactment of this Act unless the Congress has appropriated funds for the construction purposes of this Act. This authorization shall be extended 1 additional year if the Secretary has requested such appropriation. The funds authorized to be appropriated may be increased or decreased by such amounts as are justified by reason of ordinary fluctuations in development costs incurred after October 1, 1994, as indicated by engineering cost indices applicable to the type of construction project authorized under this Act. All costs which exceed the amounts authorized by this Act, including costs associated with the ongoing energy needs, operation, and maintenance of this project shall remain the responsibility of the District.

SEC. 5. CACHUMA PROJECT, BRADBURY DAM, CALIFORNIA.

The prohibition against obligating funds for construction until 60 days from the date that the Secretary of the Interior transmits a report to the Congress in accordance with section 5 of the Reclamation Safety of Dams Act of 1978 (43 U.S.C. 509) is waived for the Cachuma Project, Bradbury Dam, California.

PURPOSE OF THE BILL

The purposes of S. 1467 are to authorize the construction of the Fort Peck Rural County Water Supply System; to authorize assistance to the Fort Peck Rural County Water District, Inc., a non-profit corporation, for the planning, design, and construction of the water supply system; and to allow safety-of-dam work to proceed expeditiously at the Cachuma Project, Bradbury Dam, California.

BACKGROUND AND NEED FOR LEGISLATION

S. 1467 would authorize appropriations of \$5.8 million for the construction of a rural water supply distribution facility for Fort Peck Rural County Water District. The 24,150 acre water district is located in southern Valley County near the town of Fort Peck in north central Montana. The southern portion of the district is bor-

dered by the Fort Peck Reservoir, constructed as part of the Pick-Sloan Missouri Basin Program.

Currently, 95 percent of the residents of Valley County must haul their drinking water from Fort Peck or Fort Peck Lake to meet domestic needs. The process of hauling water is difficult and expensive, particularly during the cold winter months. In addition, this area receives more than 280,000 visits each year by recreational users at Fort Peck Reservoir, and a reliable supply of good quality drinking water is needed to serve these people.

The Bureau of Reclamation and HKM Associates completed a final engineering report and alternative evaluation for the Fort Peck Rural County Water District in September 1994. The report examined 15 alternatives and recommended one that would construct a new intake in the reservoir and water treatment facility near Duck Creek. The reservoir is considered to be the best source of water for a municipal system because the water is of good quality and requires only conventional treatment. The cost of the system was estimated to be \$5,798,000. It was also estimated that the cost of the system would increase 15 percent if it were expanded to include fire protection. The report concluded that capital funding assistance would be required at a minimum of 75 percent.

COMMITTEE ACTION

S. 1467 was introduced on December 11, 1995, by Senator Conrad Burns (R-MT), and passed the Senate on May 7, 1996. The bill was received in the House of Representatives and referred to the Committee on Resources, and within the Committee to the Subcommittee on Water and Power Resources. A companion bill, H.R. 2819, was introduced by Congressman Pat Williams (D-MT) on December 20, 1995, and was the subject of a legislative hearing by the Subcommittee on Water and Power Resources on April 18, 1995.

On July 11, 1996, the Subcommittee met to mark up S. 1467. An en bloc amendment was offered by Congressman John T. Doolittle (R-CA) to: 1) change the Federal cost-share from 80 to 75 percent; 2) add a provision that stipulates that, if the project has not received construction appropriations by the Congress after five complete fiscal years after enactment, the project authorization shall be terminated, except that the authorization shall be extended by one additional fiscal year if the Secretary of the Interior has requested such appropriation; and 3) clarify that all costs for operation and maintenance, as well as ongoing energy needs, shall remain the responsibility of the Fort Peck Rural County Water District, and that title to these facilities shall remain in the name of the District. The amendment was adopted by voice vote. The bill was then ordered favorably reported to the Full Committee. On August 1, 1996, the Full Resources Committee met to consider S. 1467. Congressman Doolittle offered an amendment to waive, for the Cachuma Project, Bradbury Dam, California, the prohibition against obligating funds for construction until 60 days from the date that the Secretary of the Interior transmits a report to the Congress in accordance with section 5 of the Reclamation Safety of Dams Act of 1978 (43 U.S.C. 509). The amendment was adopted by unanimous consent. The bill as amended was then ordered favorably reported to the House of Representatives by voice vote.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

The short title of the Act is the “Fort Peck Rural County Water Supply System Act of 1996.”

Section 2. Definitions

This section provides definitions of the terms construction, “District,” “planning,” and “Secretary.” It also defines “feasibility study” to be the study entitled “Final Engineering Report and Alternative Evaluation for the Fort Peck Rural County Water District” dated September 1994. It defines “water supply system” as the Fort Peck Rural County Water Supply System, to be established and operated substantially in accordance with the feasibility study.

Section 3. Federal assistance for water supply system

This section requires the Secretary of the Interior to enter into a cooperative agreement with the Fort Peck Rural County Water District for the planning, design, and construction by the District of a rural water supply system in Valley County, Montana. Title to this project is to remain in the name of the District.

This section requires the Secretary of the Interior to pay 75 percent of the planning, design, and construction costs of the water supply system identified in the feasibility study. The Secretary is required to pay 75 percent of the sums necessary to defray increases in the budget. The Federal share is not reimbursable. This section also requires that the Federal funds made available under the cooperative agreement not exceed the amount authorized in section 4.

Finally, this section limits the funds used by the Secretary for compliance with the National Environmental Policy Act of 1969 and for oversight of the water supply system planning, design and construction by the Fort Peck Rural Water County District to five percent of the amount authorized to be appropriated under section 4.

Section 4. Authorization of appropriations

This section authorizes an appropriation of \$5,800,000. The authorization terminates after a period of five complete fiscal years after enactment of the Act unless Congress has appropriated funds for the construction purposes of the Act. The authorization will be extended one additional year if the Secretary of the Interior has requested an appropriation for construction purposes. The authorization level may be changed to accommodate ordinary fluctuations in development costs incurred after October 1, 1994.

This section further states that all costs which exceed the amount authorized by the Act, including those associated with ongoing energy needs, operation, and maintenance of the project, shall remain the responsibility of the Fort Peck Rural County Water District.

Section 5. Cachuma project, Bradbury Dam, California

This section waives the prohibition against obligating funds for construction until sixty days from the date that the Secretary of

the Interior transmits a report to the Congress in accordance with section 5 of the Reclamation Safety of Dams Act of 1978 (43 U.S.C. 509) for the Cachuma Project, Bradbury Dam, California.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to the requirements of clause 2(1)(3) of Rule XI of the Rules of the House of Representatives, and clause 2(b)(1) of Rule X of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4) of Rule XI of the Rules of the House of Representatives, the Committee estimates that the enactment of S. 1467 will have no significant inflationary impact on prices and costs in the operation of the national economy.

COST OF THE LEGISLATION

Clause 7(a) 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 S. 1467. However, clause 7(d) 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 403 of the Congressional Budget Act of 1974.

COMPLIANCE WITH HOUSE RULE XI

1. With respect to the requirement of clause 2(1)(3)(B) of Rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, S. 1467 does not contain any new credit authority, or an increase or decrease in revenues or tax expenditures. Additional discretionary spending authority is provided, as described in the Congressional Budget Office report, below.

2. With respect to the requirement of clause 2(1)(3)(D) of Rule XI of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform and Oversight on the subject of S. 1467.

3. With respect to the requirement of clause 2(1)(3)(C) of Rule XI 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 S. 1467 from the Director of the Congressional Budget Office.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
 CONGRESSIONAL BUDGET OFFICE,
 Washington, DC, August 7, 1996.

Hon. DON YOUNG,
 Chairman, Committee on Resources,
 House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1467, the Fort Peck Rural County Water Supply System Act of 1995.

Enacting S. 1467 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JAMES L. BLUM
 (For June E. O'Neill, *Director*).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 1467.
2. Bill title: Fort Peck Rural County Water Supply System Act of 1995.
3. Bill status: As ordered reported by the House Committee on Resources on August 1, 1996.
4. Bill purpose: S. 1467 would authorize the Secretary of the Interior to enter into an agreement with the Fort Peck Rural County Water District to construct the Fort Peck Rural County Water Supply System. The legislation also would allow the Secretary to begin obligating funds for constructing the Cachuma Project at Bradbury Dam in California by waiving the 60-day period for Congressional review of the report filed by the Secretary pursuant to section 5 of the Reclamation Safety of Dams Act of 1978.
5. Estimated cost to the Federal Government: Assuming appropriation of the authorized amounts, S. 1467 would result in discretionary spending totaling \$6.6 million over fiscal years 1997 through 1999, as shown in the table below.

[By fiscal year, in millions of dollars]

	1997	1998	1999	2000	2001	2002
Spending subject to appropriation:						
Estimated authorization level	7	0	0	0	0	0
Estimated outlays	1	5	1	0	0	0

The costs of this legislation fall within budget function 300.

6. Basis of estimate: This estimate reflects the basic authorization of \$5.8 million for the Fort Peck Rural County Water Supply System, increased, as specified in S. 1467, by the estimated impact of inflation during the time between October 1, 1994, and the construction period. Outlays are estimated based on historical spending rates for similar water projects. Funding for the Fort Peck project would constitute new spending—to date, no amounts have been appropriated for this project.

The provision related to the Cachuma Project at Bradbury Dam in California would have no budgetary impact. Eliminating the 60-day period for Congressional review would allow construction on the project to proceed according to schedule.

7. Pay-as-you-go considerations: None.

8. Estimated impact on State, local, and tribal governments: S. 1467 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4) and would impose no costs on state, local, or tribal governments.

The bill would limit the federal share of this project to 75 percent. The Fort Peck Rural County Water District would have to provide matching funds of about \$2 million in order to receive the full amount of federal assistance authorized. Participation in this project would be voluntary on the part of the district.

9. Estimated impact on the private sector: The bill would impose no new federal private-sector mandates as defined in Public Law 104-4.

10. Previous CBO estimate: On March 27, 1996, CBO prepared an estimate for S. 1467, as reported by the Senate Committee on Energy and Natural Resources on March 15, 1996. The two versions of the legislation are similar and their estimated costs are identical.

11. Estimate prepared by: Federal Cost Estimate: Gary Brown; impact on State, Local, and Tribal Governments: Marjorie Miller; and impact on the Private Sector: Patrice Gordon.

12. Estimate approved by: Robert A. Sunshine, for Paul N. Van de Water, Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

S. 1467 contains no unfunded mandates.

CHANGES IN EXISTING LAW

If enacted, S. 1467 would make no changes in existing law.

