

STATEMENT OF
MICHAEL DEVRIES
GENERAL MANAGER OF METROPOLITAN WATER DISTRICT OF SALT LAKE &
SANDY
AND
DIRECTOR OF PROVO RIVER WATER USERS ASSOCIATION

BEFORE THE
ENERGY AND NATURAL RESOURCES SUBCOMMITTEE ON WATER AND
POWER
UNITED STATES SENATE

Title Transfer of Bureau of Reclamation Project Facilities in Utah

January 17, 2018

Chairman Flake, Ranking Member King, Senator Lee, and members of the Subcommittee, thank you very much for the opportunity to testify today. My name is Michael DeVries. I serve as the General Manager of Metropolitan Water District of Salt Lake & Sandy (the District), as well as Director of Provo River Water Users Association (the Association). I am pleased to be here today to provide perspective on the benefits of the transfer of Bureau of Reclamation project facilities in Utah.

Salt Lake Aqueduct

In 2006, the Salt Lake Aqueduct and related corridor (SLA) were transferred to the District. The SLA is approximately 42 miles in length, and 84” in outside diameter. It reaches from the toe of Dear Creek Dam to the Salt Lake Valley. It was completed in 1951. It is very critical to the water supply of the Salt Lake Valley. In something like two decades it will require a major rehabilitation project that will cost hundreds of millions of dollars.

Provo River Aqueduct

In 2014, the Provo Reservoir Canal and related corridor were transferred to the Association following a project that enclosed that canal. The current name of that facility is Provo River Aqueduct (PRA). The PRA is approximately 23 miles long and mostly 126” in diameter. It reaches from the mouth of Provo Canyon to approximately the Salt Lake County/Utah County line near the Jordan River. The PRA is very critical to the water supply of north Utah County and the Salt Lake Valley.

General Title Transfer Benefits

Increased Availability of Financing for Necessary Rehabilitation

Prior to title transfer of the SLA the District understood it needed to rebuild the SLA Terminal Reservoir, a 40 million gallon treated water reservoir constructed as a part of the SLA. It was a serious safety hazard. The reconstruction of Terminal Reservoir was a \$40 Million project that is nearly completed. The District issued tax-exempt bonds to finance the project. That would not have been possible without title transfer, as IRS private use rules treat money used to improve a federally owned facility as a “private use,” which is not eligible for tax-exempt bond financing.

The Provo Reservoir Canal enclosure that resulted in the creation of the PRA was a \$150 Million project. That enclosure project was completed before title transfer, but financing for that project would not have been possible absent a commitment that title would transfer upon completion of the project. A large portion of the financing came from the Utah Board of Water Resources, and politically it would not have been possible to borrow those funds absent a commitment the PRA would be transferred.

Reduced Federal and Local Costs

The District is one of the local sponsors for the Little Dell Project, which includes an Army Corps of Engineers’ constructed dam and reservoir. The Corps have very little day-to-day or year-to-year involvement with the operation and maintenance of that project, which is a distinct difference between how the Corps operates as compared to how Reclamation operates. Our experience is the federal dollars formerly spent by Reclamation on the federal “administration” of the SLA and the PRA simply failed to provide much value. In addition to potential savings in federal dollars, the District and Association spend far less time on red tape following title transfer.

The enclosure project that resulted in the creation of the PRA happened under the supervision of Reclamation. That added considerable expense, including the NEPA process, and the funds the Association was required to pay to Reclamation for Reclamation’s supervision. That supervision did not save the Association from also providing its own close supervision.

The reconstruction of SLA Terminal Reservoir was considerably cheaper than it would have been without title transfer. The District saved the NEPA process costs and the cost of Reclamation inspectors.

Improved Service to the Public

The enclosure project that resulted in the PRA included new capacity for local public entities. That participation was critical to the project. Those entities required a firm commitment of equal standing capacity, which would not have been legally possible under Reclamation ownership.

Reclamation’s lands people managed the SLA and PRA corridors before title transfer. They licensed non-project uses after seeking local project sponsor concurrence. The West-wide Reclamation standard form agreements are in many ways dated and do not reflect local laws or conditions. Management of the SLA corridor by the District and management of the PRA corridor by the Association is now much improved, both for the public served by those facilities and local entities that need to cross those corridors with roads, utilities, etc.

The Need for a Better Title Transfer Process

The enclosure project that created the PRA was intended to provide, and did provide, the following more specific benefits, in addition to the general benefits discussed above:

1. The capacity of the canal needed to be enlarged significantly to carry a new water supply from the Central Utah Project, Bonneville Unit, Utah Lake System (ULS) into the Salt Lake Valley.
2. The canal had four siphons to carry water under streams and highways. The siphons made the canal dangerous. Something like 26 people drowned in the canal over the years. The enclosure virtually eliminated this personal safety hazard.
3. The canal maintenance road was heavily used for recreation by the public before enclosure. This in spite of the dangers of the canal in terms of drowning hazards and pedestrian/bike/horse conflicts with maintenance vehicles and the dangers of highway crossings. Such recreation uses violated Reclamation policy, but stopping it was impractical. The enclosure project included the construction of a 20-mile long trail/linear park now managed by Utah County, including highway underpasses for the trail system. That would not have been possible without enclosure.
4. The canal was mostly unlined and perched on foothills above the valley floor. In 1988, the canal breached, causing very significant flood damage and lawsuits. Much of what was flooded in 1988 was open farmlands. Between 1988 and the enclosure much of that land had been developed. On two occasions after 1988 and before enclosure similar breaches were very narrowly averted. Enclosure virtually eliminated the canal breach hazard.
5. With urbanization of lands along the canal, a lot of trash was dumped into the open canal. While the canal served irrigation when it was constructed by Reclamation, for many years before the enclosure a very large majority of the water in the canal has been carried to culinary water treatment plants. Enclosure improved water quality and public drinking water safety.
6. The mostly unlined canal lost on average approximately 8,000 acre-feet (AF) of water annually. Because enclosure allowed that water to be saved and used, the Salt Lake County ULS petitioners were able to give back 8,000 AF of ULS water to DOI to be used for restoration of flows in the lower Provo River, which is critical habitat for the endangered June Sucker.
7. The canal could not be operated in the winter because of ice dams. Enclosure allows the PRA to be used as a backup to the two other large aqueducts that carry water from the Provo River System into the Salt Lake Valley.

It is only because of the extraordinary benefits of the enclosure project, and the fact that project could not happen without title transfer, that the District, the Association and others were ultimately able to incur the major expense and wear of Reclamation's title transfer process. It is only because of the extraordinary benefits of the enclosure project, and the fact that the enclosure project could not happen without title transfer, that the District, the Association and others were able to gain enough political support to overcome Reclamation resistance to title transfer.

The SLA title transfer was added to the same bill that transferred the PRA. But for the benefits of the enclosure project, the considerable general benefits of the SLA transfer would not have been enough to get the SLA title transfer over the Reclamation title transfer Rubicon. Reclamation employees feel the threat of a loss of budget and jurisdiction from title transfer, and it is just human nature to doubt others can do your job as well. They have many quiet ways to put sticks in the spokes of the already laborious Reclamation title transfer process. The fact that the District and the Association unexpectedly had to go back to Congress for a second bill to obtain title to the PRA is a good example of such a stick in the spokes. Without a better process that allows projects to be transferred in less time and with less expense, the small number of Utah Reclamation projects will not likely transfer, despite the merits of such transfers.

Congressional Support

I believe other title transfers in Utah will duplicate the general benefits federal taxpayers, the District and Association have seen with title transfer of the SLA and PRA. The Reclamation process for title transfer of the SLA and PRA was unduly expensive and laborious. I urge you to consider a streamlined process, particularly for projects that were authorized under the 1902 Reclamation Act and thus have only water supply and power development as authorized purposes.

Mr. Chairman, we are committed to continuing to work with our delegation, this Committee and other members of Congress who support the need for title transfers. Thank you for this opportunity and your time and attention to this important matter. I would be very pleased to answer any questions you may have.