

**Statement of Aubrey Bettencourt**  
**Deputy Assistant Secretary for Water and Science**  
**U.S. Department of the Interior**  
**Before the**  
**Energy and Natural Resources Committee**  
**Subcommittee on Water and Power**  
**U.S. Senate**  
**on**  
**S. 2718, the Western Water Security Act of 2019**  
**S. 3811, the Restoration of Essential Conveyance Act**  
**S. 4188, the Water for Tomorrow Act of 2020**  
**S. 4189, the Water for Conservation and Farming Act**  
**S. \_\_\_\_ (McSally) - Water-Energy Technology Demonstration and Deployment Act**

**July 22, 2020**

Chairman McSally, Ranking Member Cortez Masto, and members of the Subcommittee, I am Aubrey Bettencourt, Deputy Assistant Secretary for Water and Science within the Department of the Interior (Interior). Thank you for the opportunity to provide Interior's views on this legislation which affects the Bureau of Reclamation.

Reclamation's dams and reservoirs, water conveyance systems, and power generating facilities are integral components of the Nation's infrastructure. Reclamation is the nation's largest wholesale water supplier, delivering 10 trillion gallons of water to more than 31 million people each year. Reclamation owns 491 dams and operates 338 reservoirs across the 17 western Reclamation states. This infrastructure is key to Reclamation's continued success. Approximately 50 percent of Reclamation's dams were built between 1900 and 1950, and approximately 90 percent of the dams were built before adoption of currently used, state-of-the-art design and construction practices. Effectively managing the modernization of this infrastructure and the benefits that these structures provide is among the significant challenges facing Reclamation in the next several years. The reliability, safety, efficiency, and cost effectiveness of Reclamation's infrastructure to ensure water deliveries and power generation is a high priority.

**S. 2718, the Western Water Security Act of 2019**

The Western Water Security Act of 2019, introduced by Senator Udall, would authorize funding for New Mexico and other Western states for research, technology and infrastructure to secure future water supplies. The bill is broken up into three titles, infrastructure and water management improvement, groundwater management, and water conservation and environmental restoration.

As described below, the Department has serious concerns regarding some of the details in the bill and while we cannot support it as written, we are happy to work with the Committee and the sponsor of the bill on modifications that may facilitate implementation of the activities to be authorized by the bill.

Reclamation's WaterSMART program is very successful as currently authorized and implemented. Through WaterSMART, Reclamation works cooperatively with States, Tribes, and local entities as they plan for and implement actions to increase water supply through investments to modernize existing infrastructure and attention to local water conflicts. Since 2017, Reclamation has provided over \$117 million in Federal funding, leveraged with over \$425 million in non-Federal cost share contributions to complete over 190 on-the-ground projects to improve water management through one category of funding, WaterSMART Water and Energy Efficiency Grants. In total, these projects are expected to result in annual water savings of over 300,000 acre-feet once completed. The program also includes funding for smaller water management improvements that project sponsors identify to assist in effective water management, as well as funding for development of water marketing strategies to increase water supply reliability. Since the start of the Water Marketing Strategy Grant Program in 2017, over \$5.5 million in Federal funding has been leveraged with \$7.4 million in non-Federal funding, totaling over \$12.9 million in water marketing strategy planning activities.

Section 101 of S. 2718, entitled WaterSMART Extension and Expansion, would increase the authorized appropriations ceiling in Section 9504(e) of the SECURE Water Act by \$170 million to \$650 million from \$480 million. It is important to note that the Further Consolidated Appropriations Act, 2020, Public Law 116-94 signed on December 20, 2019, already increased the ceiling of Section 9504(e) to \$530 million.

Currently, eligibility for financial assistance for water management improvements under Section 9504(a) of the SECURE Water Act is limited to any State, Indian tribe, irrigation district, water district, or other organization with water or power delivery authority. The Western Water Security Act, through Section 101, would expand the definition of eligible applicant by adding State, regional, or local authorities that include organizations with water or power delivery authority as members.

Occasionally, Reclamation receives applications for funding from a joint powers authority composed of water districts or other organizations with water delivery authority. The revision included in the bill would clarify that such joint powers authorities are eligible to apply directly for funding.

Section 101 of S. 2718, if enacted, would expand eligibility to also include nonprofit conservation organizations. Currently, nonprofit conservation organizations are not eligible to apply but may partner with eligible entities as those eligible entities seek funding to improve their infrastructure. The Department has serious concerns that expanding eligibility to nonprofit conservation organizations could lead to unintended results and confusion over ownership and responsibilities for operation and maintenance of infrastructure that is modified pursuant to this provision. For example, a nonprofit conservation organization awarded Federal funding for a facility improvement could be in the unusual position of agreeing to implement and operate the improved facility under the parameters described in the financial assistance agreement, even though the project would continue to be operated and maintained by a water district, tribe, or municipality. Nonprofit conservation organizations are, however, currently eligible and encouraged to directly apply for categories of WaterSMART funding that rely on other authorities, including the

Cooperative Watershed Management Program and Applied Science Grants and Water Marketing Strategy Grants.

Section 102 of S. 2718 would modify the existing authority for funding the construction of desalination projects under section 4009(a) of the WIIN Act. This bill would amend the existing authority to highlight that desalination projects in rural areas are eligible to compete for funding. Rural desalination projects are already eligible under the existing statute. It would also create additional authority to provide cost share funding for appraisal and feasibility studies for rural desalination projects and a mechanism for the non-Federal cost share to be reduced for these projects. We would like to work with the sponsor and this Committee to address some questions and concerns we have regarding requirements for studies and construction of projects.

Section 103(a) would add financial assistance authority and a new appropriation ceiling for financial assistance under the Reclamation States Emergency Drought Relief Act of 1991. Reclamation currently utilizes existing authorities under Sec. 9504 of the SECURE Water Act to provide financial assistance through the WaterSMART Drought Response Program for many of the project types identified in Section 103(a)(3). We believe that the new authority included in the bill is unnecessary, but if it remains, we recommend revising this language to require that applicants provide a non-Federal cost share, as now provided in the SECURE Water Act.

Currently, the authorities of Title I of the Drought Act expire on September 30, 2020. Sec. 103(c) would extend the authorities through September 30, 2030, extending the Drought Act by ten years. Extension of the authority would allow Reclamation to continue carrying out drought planning and emergency response actions under the existing program.

Section 201 of S. 2718 addresses the Transboundary Aquifer Assessment Program (TAAP). The Department believes that the bill's author has crafted this Section in such a manner to avoid any confusion or conflict with the Department's responsibilities for the management of the Colorado River.

The Department also supports the continued coordination with the International Boundary and Water Commission authorized in Public Law 109-448, which is proposed to be reauthorized by S. 2718. The Department considers the International Boundary and Water Commission a valued and essential partner on transboundary water management issues such as those covered by S. 2718.

Section 202 of S. 2718 could have potentially significant and unintended consequences for Reclamation's WaterSMART programs, if enacted. Section 9504 of the SECURE Water Act is Reclamation's primary authority to fund water management improvements through financial assistance. Projects are carried out by not only irrigation and water districts but Tribes, municipalities, municipal water agencies, and States. Reclamation is concerned that S. 2718 would unnecessarily restrict use of this authority. Reclamation is seriously concerned by Section 202 of S. 2718, which would amend the SECURE Water Act with restrictive new language to prohibit any grant that would "increase the consumptive use of water for agricultural operations above the pre-project levels," even for downstream users who are not the recipient of the grant. Grant recipients are already prohibited from increasing their own consumptive use with water conserved through the program. However, the proposed language could have the effect of forcing recipients

to agree that downstream users will commit all saved water solely for instream flows, even though recipients have no control of what happens to water once it goes back into the stream. The Department believes this language in the bill, if enacted as drafted, could be subject to contradictory interpretations and inadvertently prevent Reclamation from assisting water managers with some water management improvements or discourage potential applicants from even participating in existing programs.

Finally, Section 203 of S. 2718 would direct the United States Geological Survey (USGS) to study impacts to water from energy development in the west. The Department has concerns regarding the energy nexus changes in the bill. The USGS is currently working on a water use model for unconventional oil and gas at a basin scale to test and apply nationally, and would prefer to work with the Committee and sponsors of the bill to address some of these concerns.

### **S. 3811, the Restoration of Essential Conveyance Act**

The Restoration of Essential Conveyance Act, S. 3811, introduced by Senator Feinstein, would authorize \$800 million for purposes including the repair of canals in the San Joaquin Valley that have been damaged by subsidence. The \$800 million authorized breaks down to \$200 million for California Aqueduct repairs, \$200 million for the Friant-Kern Canal, \$200 million for the Delta Mendota Canal, and \$200 million for the San Joaquin River Restoration Settlement to help restore salmon populations in the river.

The Department supports the intent of S. 3811 to repair storage and conveyance capacity and has been working to address reductions in conveyance capacity due to subsidence and other factors which have impacted facilities of the Central Valley Project in California, such as the Delta-Mendota Canal and the Friant Kern Canal. We would like to work with the sponsor of the bill to address certain concerns we have regarding funding to existing infrastructure. In particular, we would like to align the legislation with existing funding commitments by Reclamation to many of the projects referenced in this bill.

### **S. 4188, the Water for Tomorrow Act of 2020**

The Water for Tomorrow Act of 2020, S. 4188, introduced by Senator Harris, seeks to provide investments and financing for water infrastructure and resiliency programs, including stormwater capture and desalination projects and includes authorizations for several programs. Title I proposes to authorize investments in water infrastructure and sustainability, financing for storage, desalination, and stormwater capture projects. Title II focuses on ecosystem protection and restoration, and Title III includes two sections on improved technology and data.

S. 4188 includes several provisions that were included in H.R. 2473, the Securing Access for the Central Valley and Enhancing (SAVE) Water Resources Act and others we have previously testified on in the House. While the Department supports the intent of the bill, we have some concerns that we have attempted to address below and look forward to working with the bill sponsor and the Committee to address those concerns.

Section 102 includes a provision establishing a new “Reclamation Infrastructure Finance and Innovation Program”, to provide financial assistance to eligible entities. Specifically, Section 102 of S. 4188 would provide Reclamation with the authority to establish a loan program similar to the Environmental Protection Agency Water Infrastructure Finance and Innovation Act (WIFIA) program and require compliance with direction from P.L. 115-270, America’s Water Infrastructure Act. That law directs the EPA to enter into an agreement with Reclamation to aid in administering and servicing Federal credit instruments that Reclamation is authorized to make available.

Reclamation and the EPA signed the agreement referenced in P.L. 115-270 in October 2019. Reclamation notes that federal credit may not provide an efficient use of federal funding to support the types of projects contemplated in S. 4188. Additionally, we have concerns about the additional environmental requirements under this section with respect to identifying and implementing eligible projects.

As we testified on the Disadvantaged Community Drinking Water Assistance Act introduced by Rep. Cox in the House of Representatives (H.R. 5347) in January, Section 103 would establish a grant program within the Department to assist municipal water systems throughout California and the United States that have experienced a significant decline in the quantity or quality of drinking water. The Department appreciates the intent of this provision and recognizes the importance of safe drinking water; several individual Reclamation projects list drinking water as an authorized purpose. However, we believe the bill’s language as introduced overlaps with the Environmental Protection Agency’s existing Small and Disadvantaged Communities Drinking Water Grant Program and would be duplicative of their efforts. In addition, new language on populations of defined rural communities differs from other Reclamation authorizations, which could complicate implementation.

As defined in Section 2104 of the Water Infrastructure Improvements for the Nation Act of 2016 (Public Law 114-322), the focus of the EPA’s Small and Disadvantaged Communities grant program is to help public water systems meet public health requirements. Most of the projects eligible for funding under this section of S. 4188 are eligible projects under the EPA’s program. Additionally, there is also some overlap between the types of projects funded under Reclamation’s existing Drought Response Program, but many of the project types described in this bill are outside the scope of current programs or authorities.

Section 104 would further amend Section 1602(f) of the Reclamation Wastewater and Groundwater Study and Facilities Act (title XVI of Public Law 102–575; 43 U.S.C. 390h et seq.) to increase the authorization for Reclamation’s Title XVI water recycling competitive grant program from the \$50 million enacted by the WIIN Act to \$500 million and would increase the individual project maximum federal cost share from \$20 million to \$30 million. The program remains successful at the current federal cost share ceiling. The bill would also remove the requirement that selected projects appear by name in enacted appropriations legislation, which would result in a significant streamlining of the selection process and enable Reclamation to obligate funding to selected projects much faster. The WIIN Act sunsets the WIIN-authorized Title XVI competitive grants program five years after enactment. The Department looks forward to working with the Committee on these provisions and other aspects of potential WIIN

reauthorizations, in particular the Section 4007 storage program, which would also benefit from the above-mentioned removal of the requirement that selected projects appear by name in enacted appropriations legislation.

Earlier this year, the Bureau of Reclamation awarded \$16.6 million for nine congressionally authorized Title XVI water reclamation and reuse projects in California and Hawaii. Awards for WIIN-eligible Title XVI projects are handled separately with references in appropriations bills. The funding will be used to improve flexibility during water shortages and diversify the water supply.

Section 106 of S. 4188 would reauthorize the Rural Water Supply Act through 2026, subject to available appropriations. Reclamation previously implemented a Rural Water Supply Program authorized by Title I of P.L. 109-451, the Rural Water Supply Act of 2006 (Act). This program had a 10-year lifespan, and enabled Reclamation to assist rural communities in the western United States with the planning and design of projects to develop and deliver potable water supplies. However, Title II of the Act, which authorized Reclamation to provide federal loan guarantees, was never implemented. The scoring rules applicable under the 1990 Federal Credit Reform Act (FCRA) could not be used in program implementation. While many Reclamation facilities are operated and maintained by non-federal entities under contract with Reclamation, the facilities are still owned by the United States. Present value FCRA scoring is only applicable to loans between the Federal government and a non-Federal borrower or for non-Federal assets. Therefore, for each dollar of Federal loan, Reclamation would have been required to provide the entire loan amount in discretionary appropriations. The program's authority expired on September 30, 2016.

Discretionary rural water funding has enabled Reclamation to make progress in promoting the reliability of basic drinking water needs of rural western communities. However, Reclamation's ability to make Federal investments that match on the ground capabilities has its limitations. Given constrained budgets associated with rural water projects under construction, the additional authority contemplated by S. 4188 would have to compete with existing budget obligations.

Section 201 would authorize the Secretary to establish a competitive grant program for habitat restoration projects in the Reclamation States to provide ecosystem benefits; restore native species; protect against invasive species; restore ecosystems; enhance recreational and commercial fishing and river-based recreation; and mitigate against the impacts of climate change to fish and wildlife. This section further states that projects that achieve one or more of these listed benefits should receive priority.

The Cooperative Watershed Management Program (CWMP) extended and amended in Section 202 of this bill, is an existing competitive grant program that that Reclamation manages to provide funding for watershed management projects. Many types of projects authorized under the new grant program in Section 201 are already pursued under the existing CWMP. CWMP has two phases; and Reclamation currently implements Phase II of the Cooperative Watershed Management Program by providing funding, on a competitive basis, to watershed groups to conduct watershed management projects, including projects that address critical water supply needs, water quality concerns, and restoration needs that will benefit multiple water uses in the watershed (e.g., agricultural, municipal, tribal, environmental, recreation).

Section 202 would extend the Cooperative Watershed Management Act, Subtitle A of Title VI of the Omnibus Public Land Management Act of 2009 (Act) through 2025 and authorizes the appropriation of \$40 million each year for the program from 2021 through 2025. The Act is currently set to expire at the end of 2020.

This section would also (1) amend the Act to define and add disadvantaged communities to the stakeholder groups that should be included, to the maximum extent practicable, in a watershed group developed under the Cooperative Watershed Management Program; and (2) amend the definition of a Watershed Management Project to include projects that “[generate] environmental benefits, such as benefits to fisheries, wildlife and habitat, and water quality and water-dependent ecological systems, as well as water supply benefits for agricultural or urban water users”. These changes would not significantly impact the way the program is currently implemented. Reclamation currently prioritizes projects for which the Watershed Group will represent the diverse stakeholders within a watershed; in many cases this includes disadvantaged communities. Reclamation also prioritizes watershed management projects that have multiple benefits, including benefits to water-dependent ecosystems, fish and wildlife habitat, water quality, and water quantity.

Section 203 of S. 4188 references deliveries to wildlife refuges served by Reclamation’s Central Valley Project (CVP) in California. For background, water deliveries to the refuges are prescribed in the Central Valley Project Improvement Act (CVPIA, Title 34 of PL 102-575) and defined in CVPIA as “Level 2” and “incremental Level 4”. These delivery levels are defined with Level 2 as representing the historical average amount of water deliveries prior to CVPIA enactment in 1992 and is the baseline water required for wildlife habitat management (422,251 acre-feet per year), and “incremental Level 4”, which represents the additional increment of water required for optimal wetland habitat development (133,264 acre-feet per year).

S. 4188 requires that the Department submit to Congress a publicly available report that list all level 2 and incremental level 4 water delivered to each refuge. It would also include the amounts that are required to be delivered, and those which have received their full required supply from 1992 – 2018. The report would also need to include an assessment of how the elimination of transaction fees for a donation of water rights to the refuges would advance the goals of the CVPIA. This water delivery reporting requirement is duplicative, as refuge water supply delivery figures are already reported on in annual CVPIA Accomplishments Reports posted to the Reclamation web site.

Section 301 would require Reclamation to incorporate information from emerging technologies such as synthetic aperture radar; laser altimetry; or any other emerging technologies that can provide more accurate or timely snowpack measurement data as determined by the Secretary. Additionally, this section suggests the Secretary coordinate data use and collection efforts with other Federal agencies and bureaus that currently use or may benefit from the use of emerging technologies for snowpack measurement and authorizes \$5 million to carry out the provisions in Section 301.

The additional investment in technology and forecasting tools under Section 301 would help in achieving greater accuracy in evaluating water year types for our annual allocation process. However, an unreasonable expectation may be made that as currently written Section 301 implies that Reclamation take the emerging technology and use it directly to adjust water supply allocations. Water supply allocations are generally made through the information provided by our Federal and State partners with responsibility for water supply forecasting. Reclamation supports the concept of Section 301 whereby we can coordinate with those operational forecasting agencies such that emerging technologies can inform their operational water supply forecasts that Reclamation can then use for allocations.

Section 302 requires Interior to work with the National Academies of Sciences, Engineering, and Medicine to conduct a study to look at how climate change impacts the safety of Reclamation dams, devise a list of vulnerable dams, and submit a report to Congress based on the National Academies findings. It would be helpful to understand more specifically what the sponsor is trying to accomplish with this study. Reclamation's dam safety program is an internationally known and respected program; Reclamation provides dam safety expertise to fellow bureaus at Interior and coordinates with the State Department to provide training and technical assistance to countries around the world. In the last 10 years, the dam safety program improved 11 dams in 7 states, making 1.5 million people safer. This proposed study may be duplicative, as Reclamation currently reviews many factors, including climate change, as part of dam safety risk assessments. In addition, Reclamation was directed in Public Law 111-11, the SECURE Water Act, to assess the risks and impacts from climate change on many aspects of Reclamation's mission including reliability of our infrastructure. Public Law 111-11 requires a report on these assessments every five years to Congress, and those were delivered in 2011 and 2016, with another report to be delivered in 2021.

#### **S. 4189, the Water for Conservation and Farming Act**

The Water for Conservation and Farming Act, S. 4189, introduced by Senator Wyden, seeks to address drought in the west by improving water access and efficiencies for agriculture and conservation. While we support the intent of some provisions in the bill, we have serious concerns that we have attempted to identify below and look forward to working with the bill sponsor and the Committee to address those concerns.

Section 102 would direct \$300 million in revenues that would otherwise be deposited in the Reclamation Fund each year for 30 years to three types of Reclamation water projects including \$100 million per year for Title XVI water recycling projects, \$100 million per year for WaterSMART water-use efficiency projects, and \$100 million per year for Bureau of Reclamation dam safety projects. We note that this provision is similar to H.R. 2473, the Securing Access for the Central Valley and Enhancing (SAVE) Water Resources Act, which we provided testimony on in the House on June 13, 2019.

Like the language in S. 2718 which also amends the SECURE Water Act, we believe that Section 103 of S. 4189 could have potentially significant and unintended consequences for the WaterSMART programs, if enacted. Section 9504 of the SECURE Water Act is Reclamation's



primary authority to fund water management improvements through financial assistance. The WaterSMART program has been extremely successful as currently authorized and implemented. The authority is the basis for planning and construction activities for many different types of projects – from relatively small planning activities to identify the location of a potential new headgate or installation of a water measurement device in one location, to construction of large aquifer recharge facilities. Reclamation has implemented the authority through a series of programs, each with its own focus and intended benefits, including WaterSMART Water and Energy Efficiency Grants that focus on quantifiable water savings; WaterSMART Small-scale Water Efficiency Projects for relatively small improvements based on previous planning efforts; WaterSMART Water Marketing Strategy Grants to assist with planning activities to develop water marketing strategies; WaterSMART Drought Resiliency Projects; small-scale planning and design activities through the Water Conservation Field Services Program; and water conservation projects through the California-Bay Delta Restoration Program.

Reclamation is concerned that the bill would unnecessarily restrict use of this authority. In particular, Reclamation is concerned by Section 103 of S. 4189, which, like the language in S. 2718, would amend the SECURE Water Act with restrictive new language to prohibit any grant that would “increase the consumptive use of water for agricultural operations above the pre-project levels,” even for downstream users who are not the recipient of the grant. Grant recipients are already prohibited from increasing their own consumptive use with water conserved through the program. However, the proposed language could have the effect of forcing recipients to agree that downstream users will commit all saved water solely for instream flows, even though recipients have no control of what happens to water once it goes back into the stream. We believe the bill, if enacted, could be subject to contradictory interpretations and inadvertently prevent Reclamation from assisting water managers with some water management improvements or discourage potential applicants from participating in existing programs. If Section 103 is enacted, Reclamation would expect many entities to cancel plans to improve water efficiency through Reclamation’s programs rather than face uncertainty about the effect of grant funding on their operations.

Section 103 would also result in a wholesale restructuring of the existing statute to limit funding solely to projects that address interstate compacts, basin-wide supply-demand imbalances, or other similar concerns, before any funding could be considered. Many projects funded under this authority are located in areas where there may not be an applicable interstate compact or a completed basin-wide supply-demand assessment. Under the statutory authority currently in effect, applicants in those areas are able to describe the benefits of the project to the local and surrounding areas, which in many cases can be quite significant in terms of reducing diversions and other benefits. It is not clear that these types of applicants would continue to be eligible to apply if the bill is enacted. It is also unclear how some projects currently eligible for funding under the statute, such as projects to install small hydropower units to increase renewable energy, could be funded consistent with new requirements.

The bill would also require that all applicants, as a condition of eligibility, submit a monitoring plan demonstrating how the project would improve streamflow and habitat, an analysis of how the project would improve compliance with interstate compacts, or an analysis of how the project would reduce basin-scale water supply-demand imbalances. We believe this requirement would

result in a significant new administrative burden for entities seeking funding, particularly entities applying for a relatively small amount of cost-shared funding to develop water conservation plans or to install a measurement device in one limited portion of a water delivery system.

Reclamation believes that Section 103 would severely restrict, rather than expand, the statute currently used to carry out a number of successful programs by placing new conditions on eligibility and requiring applicants to submit information with little relationship to most projects. If Section 103 is enacted, Reclamation would need to significantly revise or eliminate some categories of funding, particularly WaterSMART Small-scale Water Efficiency Projects and planning activities under the Water Conservation Field Services Program.

Currently, all activities funded through this authority include at least 50% non-Federal funding, which has allowed available appropriations to be leveraged to carry out as many projects as possible. The bill would allow for up to 75% Federal funding for projects expected to result in conserved water that will be returned to a surface water source with ecological or recreational benefits. To implement this change, Reclamation would need to define the level of commitment necessary to meet the statutory threshold for a higher funding percentage. Because only some western states have a formal mechanism for dedicating water for instream use, Reclamation would find it difficult or impossible to implement the section without inadvertently excluding or causing disadvantage to entities in some parts of the west.

Reclamation maintains that projects focused on environmental benefits are already extremely competitive under existing programs. This change would also, in effect, redirect a large amount of program funding to one type of project – projects with instream benefits. The programs that implement Section 9504 of the SECURE Water Act support other needs, such as maintaining irrigated agriculture in times of shortage, helping cities cope with population increases and scarce water supplies, and supporting projects that include hydropower components.

Title II includes several provisions for ecosystem protections and restoration including reauthorization and expansion of the Cooperative Watershed Management Program.

#### **S. \_\_\_\_ (McSally) - Water-Energy Technology Demonstration and Deployment Act**

The Water-Energy Technology Demonstration and Deployment Act, based on our review of the draft provided by the office of Senator McSally, would among other things, establish a pilot program in conjunction with the Department of Energy to select eligible desalination projects that would benefit from the Department of Energy's participation, advance existing research and development, and have a focus on those projects in the Colorado River Basin, particularly those that support the Colorado River drought contingency operations.

We believe that advancing existing research and development, supporting Colorado River drought contingency operations in partnership with the Department of Energy are worthwhile ventures and look forward to working with the Department of Energy on this endeavor.

That concludes my written statement. I would be pleased to answer questions at the appropriate time.