

WATER POLICY

Lawmakers want to make Reclamation Fund revolve again

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Lawmakers lamented the Bureau of Reclamation's maintenance backlog yesterday, taking issue with the fact that a fund meant for projects has been underutilized.

Reclamation estimates that investments of more than \$2.5 billion are needed over the next five years for its water storage facilities.

The Reclamation Fund was established in the early 1900s and is meant to pay for water projects with user fees and royalties from mineral, oil and gas leasing on public land.

But Congress revoked the revolving nature of the fund in 1914 because it wasn't paying for itself. Bureau of Reclamations projects have relied on the congressional appropriations process ever since.

House Natural Resources Subcommittee on Oversight and Investigations Chairman T.J. Cox (D-Calif.) wants to change that and make the Reclamation Fund self-sustaining once again.

"The Reclamation Fund was originally created as a revolving fund so that Reclamation Fund receipts could provide money for projects," he said. "Now, funding is left to the unpredictable will of Congress. I believe it is time for Congress to put forward a reliable, long-term solution for the Reclamation Fund."

Most of the receipts from the fund remain unspent. In fiscal 2018, Congress appropriated \$1.2 billion to the fund, which received \$1.8 billion that same year. In fiscal 2020, President Trump's budget requested \$885 million.

All told, the Reclamation Fund will have a balance of \$20 billion by the end of 2020, according to administration estimates.

While Bureau of Reclamation Deputy Commissioner for Policy, Administration and Budget Grayford Payne said he "would assume" that balance remains in the fund for future use, subcommittee ranking member Louie Gohmert (R-Texas) noted that the "balance" is not "still sitting in the fund."

"The Reclamation Fund is really an accounting mechanism within the larger federal budget, so if a fund ends up taking in more receipts than it spends, that is added to the unified budget surplus. It gets spent, it just gets spent with other things that Congress has appropriated that money to," said Payne.

"It would be nice," he said, if reclamation funds were spent by the agency, "because we could sure have some water projects completed if it was sitting there."

When Payne noted that Reclamation does receive money from the general fund for projects — and that the general fund paid for behemoths like the Hoover Dam — Gohmert said depending on that is not a sure bet with the country facing a trillion-dollar deficit next year.

"Back in the days when the Hoover Dam was built, we weren't running the equivalent of a trillion-dollar deficit, so we are going to be in big trouble," he said.

Cox asked Payne whether having a dedicated, long-term funding source independent of the annual appropriations process would help the agency.

"A [chief financial officer] never turns money down," Payne replied. "It would add more certainty."

Water users testifying to the committee all supported the idea of reviving the Reclamation Fund.

"We are at a similar crossroads today as our forefathers and mothers were when they looked out across the desert and built this infrastructure," Idaho Water Users Association Executive Director Paul Arrington said. "Finding ways to utilize the reclamation funding will help us create a new legacy and strengthen that legacy for future generations."

Tony Willardson, executive director of the Western States Water Council, agreed, saying, "Congress should seriously consider converting the Reclamation Fund to a special and true revolving fund."