

The Western Coalition of Arid States

WESTCAS

Testimony
(for the record)

of

Charlie Nylander
Legislative Committee
Western Coalition of Arid States (WESTCAS)

For the House Agriculture Appropriations Subcommittee

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The Voice of Water Quality in the Arid West

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The Western Coalition of Arid States (WESTCAS) is submitting this testimony to the House Agriculture Appropriations Subcommittee regarding their hearing on the FY 2008 U.S. Department of Agriculture budget, with specific reference to the FY 2007 Farm Bill proposals. My name is Charlie Nylander, and I represent the interests of WESTCAS and serve on the Board of Directors (representing the State of New Mexico) and as Treasurer.

WESTCAS is a coalition of approximately 125 water and wastewater districts, municipalities, and professional organizations focused on water quality and quantity issues in eight western states, including: Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, and Texas. WESTCAS advocates wise use of water resources by promoting scientifically-sound laws, regulations, appropriations, and policies that protect public health and the environment in the arid West. My testimony today focuses on those aspects of the FY2008 USDA budget and the 2007 Farm Bill proposals that impact water quality and quantity in the arid West.

This WESTCAS testimony will focus on two areas of importance to our membership, i.e. the conservation programs and the rural development programs. First, the Administration proposes to provide approximately 547,000 rural households with new and improved water and wastewater disposal facilities. The proposed \$1.5 billion funding level includes \$1.2 billion in loans and \$349 million in grants. This combination of funding represents a higher loan to grant ratio than exists in 2007, according to the budget proposal. However, USDA is proposing to reduce the interest rate on loans, and state that most rural communities would have lower repayment costs as a result of the combination of these changes. Although WESTCAS would like to see a significant increase in the proposed funding for this program, given the current national budget demands, we support the proposed funding level and the approach taken with respect to loans and grants.

The water and wastewater disposal program provides financing for rural communities to establish, expand or modernize water treatment and waste disposal facilities. Eligibility is limited to communities of 10,000 or less in population which are unable to obtain credit elsewhere. In addition, they are available only to those communities with low median household income levels. The eight WESTCAS member western states contain hundreds of communities that meet these criteria. Moreover, due to the evolving demographics of the western United States, many of our rural communities are either seeing an influx of new residents who are moving to the area in their retirement, or are seeing a reduction in population due to a weakened economic picture and the lack of reasonable employment opportunities. In either case, the physical and financial impact on existing, aged, or needed water and wastewater infrastructure is demonstrable. These rural communities cannot cope with the maintenance or new development of adequate water and wastewater infrastructure without programs such as proposed in this FY 08 USDA budget request.

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I would like to provide an example in my own State of New Mexico. I currently facilitate the Española Basin Regional Planning Issues Forum (EBRPIF). This forum represents a government-to-government ad hoc group of 14 members representing city, county, and tribal jurisdictions in Northern New Mexico. For the past three years, this forum has met monthly to candidly discuss planning issues of regional concern, with a focus on water and wastewater. The three county governments represented among the 14 members contain rural communities that have populations of less than 10,000 people. Many of those communities are increasingly financially-burdened by water and wastewater infrastructure needs that result from: aged, existing infrastructure; population growth that demands new utility services; local groundwater contamination issues resulting from the existing use of on-site individual liquid waste systems and historic use of cesspools (that are now illegal); inadequate operation and maintenance; declining groundwater levels in over-drafted aquifers; the effects of a 7+ year drought; naturally-occurring groundwater contaminants that exceed new, and increasingly stringent drinking water standards, e.g. the U.S. Environmental Protection Agency's standard for arsenic; and challenging new concerns for utility safeguards and security measures. All of these very typical factors exacerbate the financial, planning, maintenance, and development demands affecting these small, rural communities, who without the availability of government program support, like the USDA Rural Development Program, would have no place to turn.

According to the Administrations proposal, these grants are limited to a maximum of 75 percent of project costs, but have typically averaged 35 to 45 percent of project costs. Program regulations stipulate that the grant amount should only be as much as necessary to bring the user rates down to a reasonable level for the area. Water and wastewater grant and loan funds are usually combined, based on the income levels of users and user costs. Throughout the WESTCAS western states, when it comes to financing water and wastewater infrastructure, all of the rural communities are increasing user rates, while still needing to augment funding through federal and state financing programs. Thus, WESTCAS strongly supports the continuation the USDA Rural Development Program.

The second area of concern to WESTCAS, funding and technical assistance to support the Farm Bill conservation programs is vital to the management of water resources in the arid West. The Administration's proposal includes about \$4 billion for these programs, an increase of \$242 million over the 2007 level. This includes funding for the Conservation Security Program at a level of \$316 million, and increase of \$57 million over 2007, in order to support prior year contracts. The budget also includes \$455 million to enroll up to 250,000 acres in the Wetlands Reserve Program in 2008 to reach the program cap of 2,275,000 acres. In addition, the proposed budget includes \$1 billion for the Environmental Quality Incentives Program (EQIP), enabling nearly 39,700 producers to participate in the program, covering nearly 21 million acres of land. The EQIP program will continue to emphasize land management practices.

WESTCAS strongly supports the proposed conservation programs, however we have the following comments.

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- The Conservation Security Program pays farmers for improving soil and water quality or enhancing wildlife habitat. Some voices in Congress have recently advocated also using these funds to promote the planting of energy crops. WESTCAS supports this program because it has a fundamental connection to water quality and quantity. By wisely managing the land, this USDA program has a very positive affect on non-point sources of water pollution. Sediment and nutrients are less likely to runoff and end up in the surface waters where they contribute to water pollution. In addition, this program can enhance the ability of soils to hold moisture and reduce the demands for irrigation water from surface or groundwater sources. Enhancing wildlife habitat is also a vital benefit, especially in those areas of the country, like the western states, where growth and development are increasingly marginalizing wildlife habitat. Additionally, if one examines other federal agency budgets, (like the Fish and Wildlife Service's FY 08 proposed budget where grants are being eliminated that help landowners restore habitat for species on their land), there are proposed cuts in funding for wildlife habitat. Thus, the USDA program funding is of vital importance.

WESTCAS supports increased appropriations for the Conservation Security Program, but does not want it be closed to new subscribers, as Secretary Johanns has recently proposed. Across the western states, many new opportunities exist to improve soil and water quality and enhance wildlife habitat. Rather than cap the program to allow funding to present subscribers, WESTCAS believes that it should be expanded, and that USDA should implement a monitoring and reporting program to quantify, to the best of their ability, the benefits derived from the program's implementation. A comprehensive monitoring program could be networked with other agencies such as the U.S. Geological Survey, Bureau of Land Management, and Environmental Protection Agency, so as to more efficiently collect and quantify the data. Such monitoring and reporting would greatly impact the continuation and expansion of this important program, and help assess the positive benefits being derived for water quality.

Regarding the proposal to use these funds for the planting of energy crops, WESTCAS offers one caution. That caution concerns the impact of extensive new energy crop plantings on both water quantity and quality. By promoting the planting of energy crops, the USDA (or Congress) may be exacerbating the problems associated with nutrient-caused eutrophication of water resources due to seepage and/or runoff of applied crop nutrients that affect water quality. But more importantly, promotion of such planting may negatively impact the increasing strain on scarce water resources in the arid western states through the promotion of irrigated agriculture to produce energy. By promoting planting of energy crops, there is a promotion of irrigation which may have deleterious

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affects on both surface and groundwater resources in the arid West. Historically, USDA price supports for cotton, resulted in increased planting that resulted in

excessive water level declines in important aquifers, such as the Ogallala aquifer. Thus, prudent caution should be given when including such proposals in the program due to inadvertent consequences.

- The Wetlands Reserve Program proposal for increased funding and maximizing the subscription acreage is heartily supported by WESTCAS. Although the arid West has minimal acres of wetlands, as a water quality organization WESTCAS recognizes the natural benefits of increased wetlands promoting water quality and wildlife. Wetlands are natural systems that greatly contribute to the promotion of water quality, and aid in providing buffer zones for riparian vegetation that mitigate the affects of runoff events and flood flows. In the arid West, the use of artificial wetlands is utilized more and more in the treatment and reclamation of wastewater effluent. The natural purification processes that take place in a wetland environment greatly benefit water quality, and this USDA program is of great national import regarding the protection of water quality and provision of wildlife habitat.
- WESTCAS strongly supports the Environmental Quality Incentive Program (EQIP). This program is very important in providing assistance to landowners that face serious natural resource challenges that impact soil, water, and related natural resources. As was mentioned above regarding the Conservation Security Program, EQIP provides resources for those stewards of the land that are in need so as to enhance the natural resources. The EQIP financial resources improve water quality and quantity through the subscriber application of sound remedial projects that improve both land and water.
- Lastly, WESTCAS supports the premise of the Healthy Forest Initiative in reducing the risk of catastrophic wildfires. It is very important that the USDA continue to implement this initiative, and reduce the risk of wildfire. Through hazardous fuel treatment, provision of adequate fire preparedness, and providing technical assistance, the USDA is assisting the arid West in safeguarding our vulnerable forested watersheds that provide the source of water for our cities, towns, industries, ranches and farms. During the past 7 years of sustained drought
- conditions, the arid West has felt the impact of catastrophic wildfire from California, across Arizona, through New Mexico and Colorado. Wildfires can destroy the vital watersheds upon which our populations depend for their annual and long-term supply of water. WESTCAS urges your support for the proposed budget for this important program.

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On behalf of WESTCAS, thank you for this opportunity to provide this testimony.

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