

■ BUDGET ISSUES: USACE Budget

Significant budget cuts. The proposed USACE budget includes \$5.97 billion for fiscal year 2021, which is \$1 billion below the fiscal year 2020 enacted amount, and provides \$93.8 million, a 5% reduction from fiscal year 2020, to maintain 30 multi-purpose reservoirs in Texas. The vast majority of these reservoirs (27) include water supply use and are of critical importance, since they hold close to one-third of the surface water supply in Texas.

Growing maintenance needs of aging infrastructure. Compounding that concern, more than half of the Texas USACE reservoirs are over 50 years old, with the most recent USACE reservoir (Jim Chapman Lake) being completed in 1991. Due to the age of these 27 USACE reservoirs, there is an increasing need for clear multi-year maintenance plans and sufficient annual operation and maintenance (O&M) funding to ensure the lakes meet their intended uses. USACE has also determined the advanced age of these reservoirs will require major rehabilitation work to address potential dam safety concerns. There are currently two ongoing dam safety construction projects and two dam safety modification studies on USACE reservoirs in Texas.

Limited opportunity to repay cost-share over time. Texas water providers share the costs for O&M and repair of these USACE reservoirs. Of the 27 water supply reservoirs in Texas, only 10 contractually allow water providers to repay major maintenance and repairs (such as dam safety modifications) over a period of time. The remaining 17 water supply projects require that water providers pay their entire share of costs during the period of construction, or in the year construction is completed. With the increasing costs of annual O&M coupled with major repair and rehabilitation work, the requirement to fully fund the local share of costs upon completion of construction puts an increased burden on Texas water providers.

Cuts of \$1 billion for USACE from 2020 funding levels will impact maintenance of USACE infrastructure in Texas and potentially lead to additional dam safety issues.

REQUESTS:

Provide local water supply partners five-year maintenance plans for multi-purpose reservoirs. The Assistant Secretary of the Army (Civil Works) (ASA[CW]) should fulfill existing legal requirements to notify water providers before the beginning of each fiscal year of the anticipated O&M repair activities, as well as the costs for each repair activity in that fiscal year and in each of the subsequent four fiscal years for which the water providers are required to contribute a portion of the costs.

Amend water supply contracts to allow multi-year repayment options for repair work. Where appropriate, the ASA(CW) should amend existing water supply agreements to allow multi-year repayment for major repairs and rehabilitation work. The ASA(CW) has done this to assist a number of water providers in the financing of major repairs completed under the American Recovery and Reinvestment Act of 2009.

Support sufficient funding to meet water resource needs. TWCA supports sufficient funding in fiscal year 2021 for USACE under the Regulatory Account to ensure sufficient resources to finalize 404 permit decisions on a schedule that meets water provider needs. TWCA also supports funding to cover costs to fully maintain all USACE water resources projects in Texas.