Making Water Supply a National (Corps) Priority

National Waterways Conference
September 22, 2016
IT’S THE ECONOMY STUPID!

$18.6 Billion U.S. GDP* needs water supply!

*International Monetary Fund’s World Economic Outlook, April 2016
IT’S DROUGHT STUPID!

Experts predict that extreme events will only become more frequent.
Gone with the Oysters

FRANKLY, MY DEAR, I DON'T GIVE A DAMN.

APALACHICOLA
## Top 10 U.S. Disasters*  
1980-2016 (damage in billions)

| 1. Hurricane Katrina (2005) | = $154 |
| 2. Sandy (2012)            | = $68  |
| 3. Hurricane Andrew (1992) | = $46  |
| **7. Drought (2012)**      | = $31  |

* http://www.ncdc.noaa.gov/billions/events; cost adjusted to 2016 CPI
Challenging Years Ahead

• More climate extremes
• Increasing demands for water
• Aging/failing infrastructure
• Shrinking/stagnant budgets
Break the Cycle

THE HYDRO-ILLOGICAL CYCLE

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What’s the Core/Corps Mission?

**BUILDING STRONG – USACE Supports the Army and the Nation**

**Military Programs**
- Military Construction
- COCOM Support, Overseas Contingency Operations (OCO)
- Installation Support, Environmental, Energy and Sustainability

**Civil Works**
- Navigation, Hydropower
- Flood Control, Shore Protection
- Water Supply
- Recreation, Disaster, Devastation
- Environmental Restoration

**Homeland Security**
- Critical Infrastructure
- Anti Terrorism Plans
- Intelligence
- Facility Security
- Partnership

**Real Estate**
- Acquire, Manage and Dispose
- DoD Recruiting Facilities
- Contingency Operations

**Research & Development**
- Warfighter
- Installations & Energy
- Environment
- Water Resources

**Interagency Support**
- Federal
- State
- Local
- International

**Geospatial Support**
- Support to Civil Works Programs
- Support to Military Programs
- Common Operating Picture/Environment
- Support to Emergency & Contingency Ops

**USACE Has a Diverse Mission Set Driven by Diverse Customers**
Importance of Corps’ Supply

Facts & Figures

- USACE has 136 reservoirs with M&I water supply storage in 25 states - a total of 9.8 million acre-feet of authorized water supply storage.

- The yield from this storage can provide 6.9 billion gallons per day, which is sufficient for the daily household needs of 103 million people.

- The costs for this storage are paid by local interests through water supply agreements.

32% of U.S. Population
Importance of SWD’s Supply
Importance to OK’s Supply

64% of Oklahoma water needs can be met by Corps’ yield
The Golden Rule...

President's Fiscal 2017 Budget for U.S. Army Corps of Engineers Civil Works released

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"The 2017 Civil Works budget for the U.S. Army Corps of Engineers reflects the Administration's priorities to support and improve the Nation's economy, protect the American people, and restore our environment," said the Honorable Jo-Ellen Darcy, Assistant Secretary of the Army for Civil Works. "This budget continues to reflect the tough choices necessary to put the country on a fiscally sustainable path."

New federal funding in the Civil Works budget consists of $3.58 billion from the general fund, $851 million from the Harbor Maintenance Trust Fund, $45 million from Special Recreation User Fees, and $34 million from the Inland Waterways Trust Fund.

The FY 2017 funding will be distributed among the appropriations accounts as follows:

- $2.705 billion for Operation and Maintenance
- $1.09 billion for Construction
- $222 million for Mississippi River and Tributaries
- $200 million for the Regulatory Program
- $180 million for Expenses
- $103 million for the Formerly Utilized Sites Remedial Action Program (FUSRAP)
- $85 million for Investigations
- $30 million for Flood Control and Coastal Emergencies
- $5 million for the Office of the Assistant Secretary of the Army for Civil Works

Interest On Debt
$251 billion / 6.3%

Veterans Benefits
$161 billion / 4.1%

Food & Agriculture
$130 billion / 3.3%

International Affairs
$27.2 billion / 0.7%

Government
$2.7 billion / 0.1%
The Golden Rule…

Funding

The President’s Budget for Fiscal Year 2017 (FY17) includes $4.6 billion in gross discretionary funding for the Civil Works program of USACE. This Budget provides $6.7 million for the Water Storage for Water Supply Program to support priority reallocations of storage to water supply. Currently, there are 136 USACE reservoirs with Municipal & Industrial water supply storage in 25 states. These reservoirs contain 9.8 million acre-feet of authorized water storage which can yield 6.9 billion gallons per day – an amount sufficient for the daily household needs of 103 million people. The costs for this storage are paid through water supply agreements.

Key Messages

- USACE reservoirs provide safe and reliable water storage for large populations and can be a key component in State and local plans to meet current and future water demands.
- Water storage at USACE multi-purpose reservoirs can provide an alternative to the development of new single-purpose water supply reservoirs.
- The President’s FY17 Budget includes $6.7 million for USACE to continue funding the highest-priority operations and maintenance activities that enable USACE to assist State and local entities in meeting their responsibilities with respect to water supplies.

Facts & Figures

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0.145% OF CIVIL WORKS DISCRETIONARY $
Challenge: State Primacy

- Mining Act of 1866
- Desert Land Act of 1877
- Reclamation Act of 1902
- Flood Control Act of 1944
- Water Supply Act of 1958

“...it is hereby declared to be the policy of the Congress to recognize the interests and rights of the states in determining the development of the watersheds in their borders and likewise their interests and rights in water utilization and control...”

(Flood Control Act of 1944, 33 U.S.C. 709, Sec. 1)
Opportunity: State Consultation

WOTUS

Water Supply Rule

Future Actions?
Challenge: Army “Flexibility”
Opportunity: Legislation

- Increase PAS funding
- Accept non-Federal $ for 404 reviews
  - Authority to contract directly with States
  - Return O&M $ to the project
  - Improve procedures for pricing of storage
Opportunity: WRDA 2016

- Sec. 1010 = Contributed funds from non-Fed entities
- Sec. 1012 = Leveraging Fed infrastructure for increased water supply
- Sec. 1048 = Review of reservoir operations
Opportunity: White House

Manage Federal Assets to Promote Local Drought Resilience

1. **Increasing Water-Management Flexibility:** Improve drought preparedness by developing and implementing new processes and considerations into reservoir management. Develop and implement a new process for streamlining preparation, review, and approval of USACE Water Control Plan deviations. Deviations from an approved USACE Water Control Plan in certain circumstances can create opportunities to alleviate critical drought impacts consistent with legislated facility purposes. DOI-BOR will begin implementation of five pilot activities at DOI-BOR reservoirs. These pilots will explore both the tracking of water supplies affected by climate change as well as other reservoir operations opportunities. DOI-BOR will also coordinate with USACE in cases where storage is co-managed for water supply and flood control to identify opportunities to leverage deviation requests.

- **Lead Coordinating Agencies:** USACE and DOI-BOR
The REAL Opportunity: Partnership

• State Long-Range, Comprehensive Water Plans
Conclusion

- Increase budget slice relative to GDP value
- Water shortage/drought is a national priority
- Corps MUST be a huge asset
- Silos Legislation Partnerships solve problems