

Statement of James C. Decker,  
Taxpayers for the Animas River  
on

S. 1 771  
The Colorado Ute Settlement Act Amendments of 1998

Joint Hearing of the Select Committee on Indian Affairs and the  
Committee on Energy and Natural Resources,  
Subcommittee on Water and Power  
United States Senate

June 24, 1998

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Mr. Chairman and members of the Committees, thank you for the opportunity to make this statement in public hearings.

I am James C. Decker, Secretary of Taxpayers for the Animas River. I have been a citizen of Colorado since 1955, when I was discharged from the Army at Fort Carson, Colorado. I have lived in Durango, Colorado since 1966, and am presently retired.

I have been a member of Taxpayers for an Animas-La Plata Referendum since its founding on January 15, 1979. The name has since been changed to Taxpayers for the Animas River (TAR). TAR provides an alternative voice to the tax-funded water boards promoting the Animas-La Plata Project. I last testified for TAR before these Committees on the Colorado Ute Settlement Bill on December 3, 1987.

Since its founding by environmentalists and taxpayers concerned with outrageous government spending, TAR has been joined by many other local, state, and national environmental and taxpayer non-profit organizations in opposing the Animas-La Plata project. I have included their names as an appendix to this statement.

We oppose S. 1771 and the Animas-La Plata Project on three grounds: first, it is a colossal waste of taxpayer money; second, the project damages the environment and as a result, damages our local economy; and third, it has not successfully completed the administrative review and permitting process that is designed to point out and eliminate the worst impacts of the project.

## **The Animas-La Plata Project is an Antiquated Project in Search of a Purpose.**

Over the years, I have followed the Animas-La Plata Project and seen it evolve as its proponents searched for a reason to build it. This project was proposed many years ago and authorized by Congress in 1968. In the last 30 years, Congress has not funded construction for a very good reason -- the project never made sense economically.

Originally, the Animas-La Plata Project (ALP) was designed as an irrigation project. Municipal and industrial (M & I) water for towns like Durango and Farmington were added because their costs were 100% reimbursable to the Federal Government. During the 1970's energy crisis, coal was added as an objective. Then settlement of Indian water rights was added. Now the project is to provide municipal and industrial water for no specified users or purposes.

But when the Bureau of Reclamation did its latest benefit-cost analysis for the authorized ALP, the project returned only 36 cents on the dollar -- a poor return on investment for three-quarters of a billion dollars. The .36 benefit-cost ratio was for a project that at least had a significant amount of the water designated for specific uses.

S. 1771 creates Animas-La Plata Lite (ALP Lite), which devotes almost all project water to M&I purposes, but where this water will be used is completely unknown. With no known use for the water, the benefit-cost ratio can only go down from 36 cents on the dollar.

Further, we do not know how much ALP Lite will cost -- the Bureau has released no cost projections, and the proponents estimate \$287 million; but the federal taxpayer's obligation is completely open-ended. While we do know how much the local share is, because it is capped at \$13 million with the state contributing \$16 million, it is only about 10% of the estimated cost. Whereas the municipalities were added originally to improve the benefit-cost picture, in Animas-La Plata Lite, they are now subsidized liabilities of the federal government. This goes against all modern policy, practice and law for water projects. The federal taxpayer and beneficiaries of public power will pay hundreds of millions of dollars to build a project which will deliver almost all of its water for no known use.

But ALP Lite is not the end of the taxpayer's contribution. S 1771 does not deauthorize the full ALP. The project beneficiaries admit that they will be back asking for the rest of the project. In fact, once ALP Lite is built, Congress will be very hard pressed to build the entire ALP project so that there is some use for the water developed and justification for the money spent.

### **ALP Lite Has Serious Environmental Impacts**

ALP and ALP Lite have serious environmental problems as well. Reducing flows in the Animas River as a result of ALP diversions will harm the business of Durango rafting companies, damage an Olympic kayak training site and injure a state designated Gold Medal Trout Stream. The reservoir site is the wintering grounds for one of Colorado's largest elk herds. We take the environment seriously in Southern Colorado. While we love the rivers and mountains, we also

depend on the rafters, kayakers, fishers and hunters. The environmental impacts of this project harm our local economy.

### **ALP Lite Circumvents Environmental and Economic Review**

S. 1771 relies on prior environmental review of the full ALP project. It uses "adequacy" or "sufficiency" language to eliminate environmental review for ALP Lite. This is a significant problem because the environmental review for the full ALP was fatally flawed. TAR and others repeatedly won lawsuits or other legal action against the Bureau over the full Animas-La Plata Project. As a result, the review and permitting process has not been completed. But S. 1771 shortcircuits that process through a finding that the Endangered Species Act, Clean Water Act and National Environmental Policy Act processes to date are "adequate." "Adequacy" language prevents those dependent on the local environment for their living from challenging the Bureau's wrongful decisions.

Similarly, S. 1771 authorizes construction of a Reclamation project without the benefit of the standard economic review for the project. As a result, we do not have Reclamation estimates of the cost of the project, its benefit-cost ratio, or even its economic feasibility.

### **Conclusion**

For these and other reasons, I urge the Committees to reject this version of the Animas-La Plata Project. Please vote NO on S. 1771. Instead, I urge the Congress to deauthorize the Animas-La Plata Project. Any new proposals offered should not be by amendments to existing law, but introduced as a free-standing bill. I also ask these Committees to consider non-structural alternatives offered during the Colorado "Romer-Schoettler" negotiations or other proposals which have reasonable costs and are environmentally sound.

Thank you again for the opportunity to testify.