

# Ratepayers may be stuck with Hoover bill

By Tony Batt

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WASHINGTON — Congress is going to have to decide whether Southern Nevada utility customers must foot the bill for massive cost overruns at the Hoover Dam visitor center, the Bureau of Reclamation director said Thursday.

"The fundamental issue of equity is ... should the power users have to repay the cost overruns, and I think that is going to be one of the central issues that this committee and other committees will have to face," Daniel Beard told the House Resources subcommittee on water and power.

A Beard aide said after the hearing that raising parking fees and concessionaire charges at the dam are alternatives that may be considered.

Congress will consider how to pay for the \$100 million cost overruns at the visitor center after receiving a report from the bureau that was requested by Sen. Harry Reid, D-Nev. Beard said a draft

report has been completed and is being reviewed. Under current law, the cost of the visitor center can be passed on to utilities in Southern Nevada, Arizona and California that buy power from Hoover Dam. For example, customers of Valley Electric Association in Pahrump will have to pay \$3 each for the next 50 years for the center's overruns, the utility's general manager has said.

The subcommittee chairman, Rep. John Doolittle, R-Calif., noted that the estimated cost of the visitor center when it was first proposed in the late 1970s was \$15 million. He said that up to that time such facilities did not cost more than \$5 million.

When Congress first authorized the Hoover Dam visitor center in 1985, the cost was \$32 million. Now, the projected cost is between \$120 million and \$140 million, more than it cost to build the dam itself.

"I've tried to avoid ... the uncontrollable urge to start pointing

fingers, and I think if we start pointing fingers on this one, there's more than enough blame to go around for just about everybody," Beard said.

Doolittle said recent reports from whistle-blowers have indicated expensive equipment has disappeared from the construction site of the visitor center and time cards have reflected hours that have not been worked.

Beard replied that a team from the Interior Department's inspector general's office is investigating personnel practices at Hoover Dam and will issue a report Tuesday. He said he will meet with those officials Wednesday to discuss their findings, and if there are any violations, "they will be quickly dealt with."

Doolittle also noted that 255 Bureau of Reclamation employees are assigned to Hoover Dam, many more than at most dams of comparable size. He asked Beard to provide a detailed accounting of Hoover Dam personnel.

Beard said the department reached an agreement in December with consumers of Hoover Dam power to give them more input and improve the operation and maintenance of the dam.

Last year, an audit by the inspector general's office blamed inadequate budget controls by the department for cost overruns. Utility customers in Southern Nevada, Arizona and California paid for \$45 million in generator improvements at Hoover Dam, but that amount was inexplicably added to the fund for the visitor center.

The overruns were not discovered until utilities complained that the expenses were forcing them to impose higher rates on their customers.

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