



Topic: **Authority Board Agenda Item 7-1** **2018 June 18**

Subject: **Reclamation Water Infrastructure Finance and Innovation Act (WIFIA) Support Letter**

Requested Action:

Consider approval and authority for the Chair to sign a letter of support to amend the Water Resource Development Act (WRDA) of 2018 that if it became law would authorize the Reclamation Water Infrastructure Finance and Innovation Act (WIFIA).

Detailed Description/Background:

Congressional Representative Jeff Denham (CA #10) is planning to offer an amendment to the Water Resources Development Act (WRDA) 2018 when the bill is considered on the House Floor. The amendment would create a Reclamation “account” within EPA’s existing WIFIA program to provide additional opportunities for non-Federal project sponsors, having Reclamation approval, to gain access to low-cost, long-term financing. The financing would be available to support a wide variety of water supply-related projects within Reclamation States, including groundwater and surface water storage projects and water reuse. EPA’s WIFIA program caps Federally-backed financing at 49 percent of total project costs. The amendment also includes provisions that would provide technical assistance and a priority for projects that address the water supply needs of smaller communities.

Prior Authority Board Action:

None.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Kevin Spesert

Attachments:

Attachment A – Draft Letter of Support

DATE

The Honorable Jeff Denham
United States House of Representatives
1780 Longworth HOB
Washington, D.C. 20515

RE: Reclamation WIFIA Amendment to the House WRDA Bill

Dear Congressman Denham:

The Sites Project Authority would like to express our strong support for your proposed amendment to the Water Resources Development Act (WRDA) of 2018 authorizing the Reclamation Water Infrastructure Finance and Innovation Act (Reclamation WIFIA).

This amendment will benefit water users throughout the West by providing non-Federal project water users with access to low-cost, long-term financing. Financing under your proposal will support a wide variety of water supply-related projects, including groundwater and surface water storage projects, as well as water reuse programs.

If a Reclamation WIFIA program were in place today, the program would provide water project sponsors with access to federally-backed loans that could cover up to 49 percent of total project costs, with a repayment period of up to 35 years and at an interest rate of approximately 3.00 percent. In many instances, the annual debt service savings would approach 20 to 25 percent or more.

This legislation also creates an opportunity for non-Federal sponsors of projects that are integrated with, or directly connected to, Federal Reclamation projects to potentially gain access to financing through the use of long-term leases or easements and other means. Notably, this amendment includes provisions that would provide technical assistance and a priority for projects that address the water supply needs of smaller communities.

We believe your amendment will help accelerate work on critically needed water infrastructure projects throughout the West. We thank you for your leadership and your continued work on this important amendment.

Sincerely,

Fritz Durst
Chair – Sites Project Authority

