



Santa Clara Valley Water District

File No.: 21-0958

Agenda Date: 9/28/2021

Item No.: 3.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Approve Recommended Positions on Federal Legislation: H.R. 1563 (Garcia) - To Extend the Authorities Under the Water Infrastructure Improvements for the Nation Act of 2016 Providing the Operational Flexibility, Drought Relief, and Other Benefits to the State of California; H.R. 2895 (Peters)/S. 1499 (Warner) - Reinventing Economic Partnerships And Infrastructure Redevelopment Act (REPAIR) Act; H.R. 3282 (McKinley) - Drinking Water Funding for the Future Act of 2021; H.R. 3228 (Velazquez) - National Coastal Resilience Data and Services Act; and Other Legislation That May Require Urgent Consideration for a Position by the Board.

RECOMMENDATION:

- A. Adopt a position of "Support" on H.R. 1563 (Garcia) - To extend the authorities under the Water Infrastructure Improvements for the Nation Act of 2016 providing the operational flexibility, drought relief, and other benefits to the State of California;
- B. Adopt a position of "Support" on H.R. 2895 (Peters)/S. 1499 (Warner) - Reinventing Economic Partnerships And Infrastructure Redevelopment Act (REPAIR) Act;
- C. Adopt a position of "Support" on H.R. 3282 (McKinley) - Drinking Water Funding for the Future Act of 2021; and
- D. Adopt a position of "Support" on H.R. 3228 (Velazquez) - National Coastal Resilience Data and Services Act.

SUMMARY:

A. H.R. 1563 (Garcia) - To extend the authorities under the Water Infrastructure Improvements for the Nation Act of 2016 providing the operational flexibility, drought relief, and other benefits to the State of California.

Recommended Position: Support

Priority Recommendation: 2

This bill would extend through 2028 the California Water Title (Subtitle J) of the Water Infrastructure Improvements for the Nation (WIIN) Act of 2016 (Public Law 114-322), which provides operational provisions for the Central Valley Project (CVP) and funding for storage, water recycling, desalination, and environmental restoration projects. This subtitle is currently set to expire on December 16, 2021.

The bill would also do the following:

- Extend the feasibility deadline for new storage projects. The WIIN Act currently stipulates that a new storage project must receive a determination of feasibility by the Secretary of the

Interior on or before January 1, 2021, to be eligible for WIIN Act funding. This bill would extend that deadline to January 1, 2028.

- Authorize \$134 million in each of fiscal years 2022 through 2028 for eligible storage projects.
- Authorize \$12 million in each of fiscal years 2022 through 2028 for eligible desalination projects.
- Authorize \$20 million in each of fiscal years 2022 through 2028 for eligible Title XVI water recycling projects.
- Extend through 2033 the consultation requirements concerning biological assessments and the coordinated operations of the Central Valley Project and the State Water Project in California.

Status:

H.R. 1563 was introduced in the House on March 3, 2021, and was referred to the Committee on Natural Resources and the Committee on Science, Space, and Technology.

Importance to Valley Water:

This bill would extend the California Water Title of the WIIN Act for seven years. This title of the WIIN Act has, since 2016, provided a framework for CVP operations in the state. The WIIN Act also outlines how new storage projects will be authorized and eligible for federal funding, including a requirement that the Secretary of the Interior must determine the feasibility of any new storage project by January 1, 2021. H.R. 1536 would extend that feasibility deadline to January 1, 2028, which would preserve this path to federal funding for new storage projects like the Pacheco Reservoir Expansion Project.

The bill would also extend the life of the Title XVI competitive grant program, which is an important source of funding for water recycling projects nationwide. This program is already oversubscribed, and demand is only expected to increase. Reauthorizing this program with additional funding will preserve this important source of federal funding for Valley Water recycled water projects coming online in the near future.

Pros:

- Extends the WIIN feasibility deadline for new storage projects for seven years, preserving a path to federal funding for the Pacheco Reservoir Expansion Project.
- Extends the consultation requirements for coordinated operations of the CVP and SWP in California, eliminating the uncertainty that is expected if the WIIN Act expires in December 2021.
- Extends the Title XVI competitive grant program and authorizes new funding, preserving a source of funding for recycled water projects that Valley Water brings online in the coming years.

Cons:

- None identified at this time.

B. H.R. 2895 (Peters)/S.1499 (Warner) - Reinventing Economic Partnerships And Infrastructure Redevelopment Act (REPAIR) Act

Recommendation: Support

Priority Recommendation: 3

This bill would establish a new Infrastructure Financing Authority (IFA) to fund large-scale and economically viable infrastructure projects nationwide. Eligible projects include airports, ports and waterways, water treatment facilities, stormwater management systems, dams, and levees, among others, that have an estimated cost of \$50 million or more (\$10 million for projects serving rural communities). Projects will be prioritized if they contribute to economic growth, contribute jobs, and mitigate environmental concerns. Like the Water Infrastructure Finance and Innovation Act (WIFIA) Program, this loan program would limit the federal contribution to 49% of the project costs. The bill would also create a funding mechanism to make the IFA a self-sustaining entity through fees and risk premiums on loans and loan guarantees. Public-private partnerships (P3s) would be eligible loan applicants if the project has received contributed capital or commitments equal to at least 10 percent of the total project cost.

Status:

H.R. 2895 was introduced in the House on April 28, 2021, and was referred to the Committee on Transportation and Infrastructure and the Committee on Ways and Means. S. 1499 was introduced in the Senate on April 29, 2021, and was referred to the Committee on Finance.

Importance to Valley Water:

This bill would allow Valley Water to apply for loans for the construction, alteration, or repair of many of its projects, including the Pacheco Reservoir project, the Purified Water project, the Anderson Dam Seismic Retrofit, and updates to the Rinconada Water Treatment Plant.

Pros:

- The IFA would provide a new source of much-needed funding for infrastructure projects, including water infrastructure projects.
- Valley Water could access this loan program to finance many of its different projects, including flood protection, recycled water, and dam retrofit projects.

Cons:

- Unlike the WIFIA Program, under the IFA water projects would have to compete with other kinds of non-water infrastructure projects for IFA funding.

C. H.R. 3282 (McKinley) - Drinking Water Funding for the Future Act of 2021

Recommendation: Support

Priority Recommendation: 3

This bill would extend for five years (through 2026) several drinking water and wastewater-related

grant programs at the Environmental Protection Agency (EPA) that have either already expired or are set to expire at the end of 2021. Among those included are:

- Water Infrastructure Finance and Innovation Act (WIFIA): This is an important low-interest loan program that finances large-scale water infrastructure projects.
- Water Infrastructure and Workforce Investment: First authorized in 2018, this program funds water workforce training programs to promote career opportunities in the water infrastructure sector and invest in a robust water workforce.
- Community Water System Risk and Resilience: This program requires community water systems to conduct a risk assessment (and certify with EPA that they have done such an assessment) to help identify any vulnerabilities that threaten the ability for a system to provide safe, reliable, clean drinking water to its customers. This bill would extend the authorization of funding to provide technical assistance to eligible water systems.
- Technical Assistance for Innovative Water Technologies: This program supports the deployment of innovative technologies that address drinking water quality, treatment, or security challenges at water utilities, private wells, and source waters.

Status:

This bill was introduced in the House on May 17, 2021, and was referred to the Committee on Energy and Commerce as well as the Committee on Transportation and Infrastructure.

Importance to Valley Water:

This bill would extend several funding programs that Valley Water has accessed or could access to support its work, most notably the WIFIA Program, which Valley Water is pursuing to fund several of its large flood protection and water supply projects. Other programs to be extended provide an important funding source for other water systems. For example, the Technical Assistance for Innovative Water Technologies would provide grants for the training and education of operators of water systems, and Valley Water could apply for grants to make the water system more resilient from both malevolent acts and natural hazards. This could include projects that improve water treatment and mitigate sources of drinking water contamination, among others.

Pros:

- Valley Water could seek funding under several of these programs to support its flood protection and water utility projects.
- The programs to be extended are important sources of funding for many water systems, and supporting their continued funding is in line with the Board-adopted Legislative Guiding Principles.

Cons:

- None identified at this time.

D. H.R. 3228 (Velazquez) - National Coastal Resilience Data and Services Act

Recommendation: Support

Priority Recommendation: 3

This bill would require the Secretary of Commerce and the National Oceanic and Atmospheric Administration (NOAA) to improve science, data, and services that enable sound decision making in response to coastal flood risk, including impacts of sea level rise, storm events, and land subsidence. It would also direct NOAA to improve its data collection, maps, and information services that allow coastal communities to plan for present and future coastal flood risk. To do this, NOAA will improve, create, and make investments in authoritative forecasts, predictions, projections, and services, mapping and geospatial services, modeling, product development and delivery, and providing engagement and technical assistance to all levels of government, tribal governments, and to vulnerable and historically marginalized and overburdened communities.

Status:

This bill was introduced in the House on May 13, 2021 and was referred to the Committee on Natural Resources and the Committee on Science, Space, and Technology. Committee Hearings were held on June 22, 2021.

Importance to Valley Water:

This bill would promote improved science and data collection on coastal resilience and land subsidence, allowing for a more thorough understanding of these issues nationwide and how they impact communities. This improved data could inform how Valley Water projects are managed. This bill aligns with Valley Water's Legislative Guiding Principle to support funding for new technologies that provide improved information for weather forecasts and flooding.

Pros:

- Improved science and data collection on coastal resilience and land subsidence would improve the national understanding of these phenomena.
- NOAA would create and maintain maps about our shoreline areas, which could better inform Valley Water operations.

Cons:

- None identified at this time.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

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None.

UNCLASSIFIED MANAGER:
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