

Prospects for Funding Water Infrastructure A Federal View

The Business of Water University of Arizona WRRC

National Water Resources Association Perspective
March 28, 2018

National Water Resources Association

Established in 1932, NWRA represents agricultural and municipal water providers primarily through state water resources associations across western states and parts of the southeast.

Our members supply water to more than 50 million people, agricultural producers, and other businesses throughout the West.

NWRA STAFF



Ian Lyle, Executive Vice President



John Crotty, Advisor



Annick Miller, Senior Policy Advisor



Kris Polly, Senior Advisor



AnnaLee Taylor, Office Manager

NWRA SENIOR ADVISORS



Robert Johnson

Former Bureau of Reclamation Commissioner



Steven Stockton

Former Director of Civil Works for the Army Corps of Engineers



Doc Hastings

Former Chairman, House Resources Committee

Thank you...



The need for water

Agriculture relies on water

Ecosystems rely on water

Industry relies on water

The economy relies on water

If the Colorado River Basin States were a country its economy would be one of the largest in the world.

California alone has the worlds **5th** largest economy.

As you know **water demands in the Colorado River Basin are projected to increase significantly by 2060 with an estimated median imbalance between supply and demand of 3.2 million acre-feet.**

The need for water

The Colorado River Basin isn't alone, most Western states predict a dramatic increase in demand for water and a related water supply gap.

The West needs a stable water supply. Meeting this need is critical not just for the West, but for the U.S, and the entire World.

U.S. is the worlds largest economy.

U.S. is responsible for approximately 20 percent of world food exports by volume.

It is estimated that by 2050 the global demand for food will grow by 70 percent.

Since peaking in 1980 water used for irrigation has dropped from almost 150 billion gallons per day to about 115 billion gallons a day in 2010. At the same time food production per acre has dramatically increased.

Federal Infrastructure Investment

Investing in Infrastructure

Total federal investment in Bureau of Reclamation infrastructure is **approximately \$20 billion**. Much of this investment has been and continues to be repaid.

Each year Reclamation generates **more than \$20 billion** in direct economic contributions to the US economy annually (sale of water, hydropower and recreation).

Federal investment in water infrastructure is...good policy.

Appropriations

It's been **over 10 years** since Congress passed all appropriations bills on time.

Congress just passed the Fiscal Year 2018 budget... **six months into the fiscal year.**

FY2019 budget request was released on February 12.

Congress is struggling to fund the federal government...again.

FY 2019 Request USACE

	FY16 Enacted	FY 17 Enacted	FY 18 Requested	FY 18 Enacted	FY 19 Requested
Operations and Maintenance	3.14 B	3.149 B	3.1 B	3.63 B	3.144 B
Construction	1.25 B	1.876 B	1.02 B	2.1 B	1,019
Flood Control and Coastal Emergencies	28 M	32 M	35 M	35 M	27 M
General Investigations	121 M	121 M	86 M	86 M	82.6 M
Corps Regulatory Program	200 M	200 M	200 M	200 M	200 M
Total	\$5.99 B	\$6 B	\$5 B	\$6.05 B	\$4.78 B

FY 2019 Request BOR

	FY16 Enacted	FY 17 Enacted	FY 18 Requested	FY 18 Enacted	FY 19 Requested
Reclamation Total	\$1.265 B	\$1.306 B	\$1.097 B	\$1.480 B	\$1.049 B
WaterSMART Grants	29 M	28.5 M	23 M	34 M	10 M
Cooperative Watershed Management Program	750 K	2.25 M	1.75 M	4.2 M	250K
Basin Studies	5.2 M	5.2 M	5.2 M	5.2 M	2 M
Drought Response	6.6 M	4 M	3.25 M	4 M	2,901
Resilient Infrastructure	2.5 M	1.5 M	-	-	-
Water Conservation Field Services Program (WCFSP)	4.239 M	4.179 M	4.038 M	4.2 M	1,750
Title XVI Projects	32.365 M	34.406 M	21.500 M	54 M (includes WIIN)	3,000

Earmarks...not just a trendy ear tattoo

Congressionally directed spending.

System of transparency established in 2008

Republicans in Congress instituted a self imposed ban on “earmarks” in 2010

Potential return? WRDA 2014 and WRDA 2016

Rule change was discussed at beginning of 115th

Good or bad motivated members to do approps

Rebuilding our Infrastructure

Trump's Infrastructure Plan

Proposed **\$1.5 trillion** in total infrastructure investment through direct Federal funding and incentivized non-Federal funding. **The federal share is \$200 billion, remainder would come from non-federal investment.**

Incentive Grants —\$100 billion

Rural Formula Funds —\$50 billion

Transformative Projects —\$20 billion

Existing Credit Programs —\$14 billion (including

WIFIA)

Federal Capital Revolving Fund —\$10 billion

Private Activity Bonds (PABs) — \$6 billion

Regulatory Reform

“the agenda for the coming year promises a regulatory policy that works for the American people” -FY2019 Budget Request

NEPA reform:

- Cut permit timelines to two years
- Single agency/coordinated permit processes
- No EPA veto
- Expand non-fed entities funding review process

Key Legislation

Bills to Watch

WRDA

First roundtable held late October

House and Senate continue to hold hearings

Likely see draft in spring

New Senate EPW leadership

New House staff

Agency shift?

**May be the one of the potential
infrastructure legislative vehicles.**

Bills to Watch

Draft Infrastructure Package

- Bureau of Reclamation Transparency Act
- Water Supply Permitting Act
- Bureau of Reclamation Project Streamlining Act
- Reclamation Title Transfer
- Water Rights Protection Act

**Addresses regulatory issues, not
funding**

Bills to Watch

Farm Bill

Will see additional hearings

House likely move first

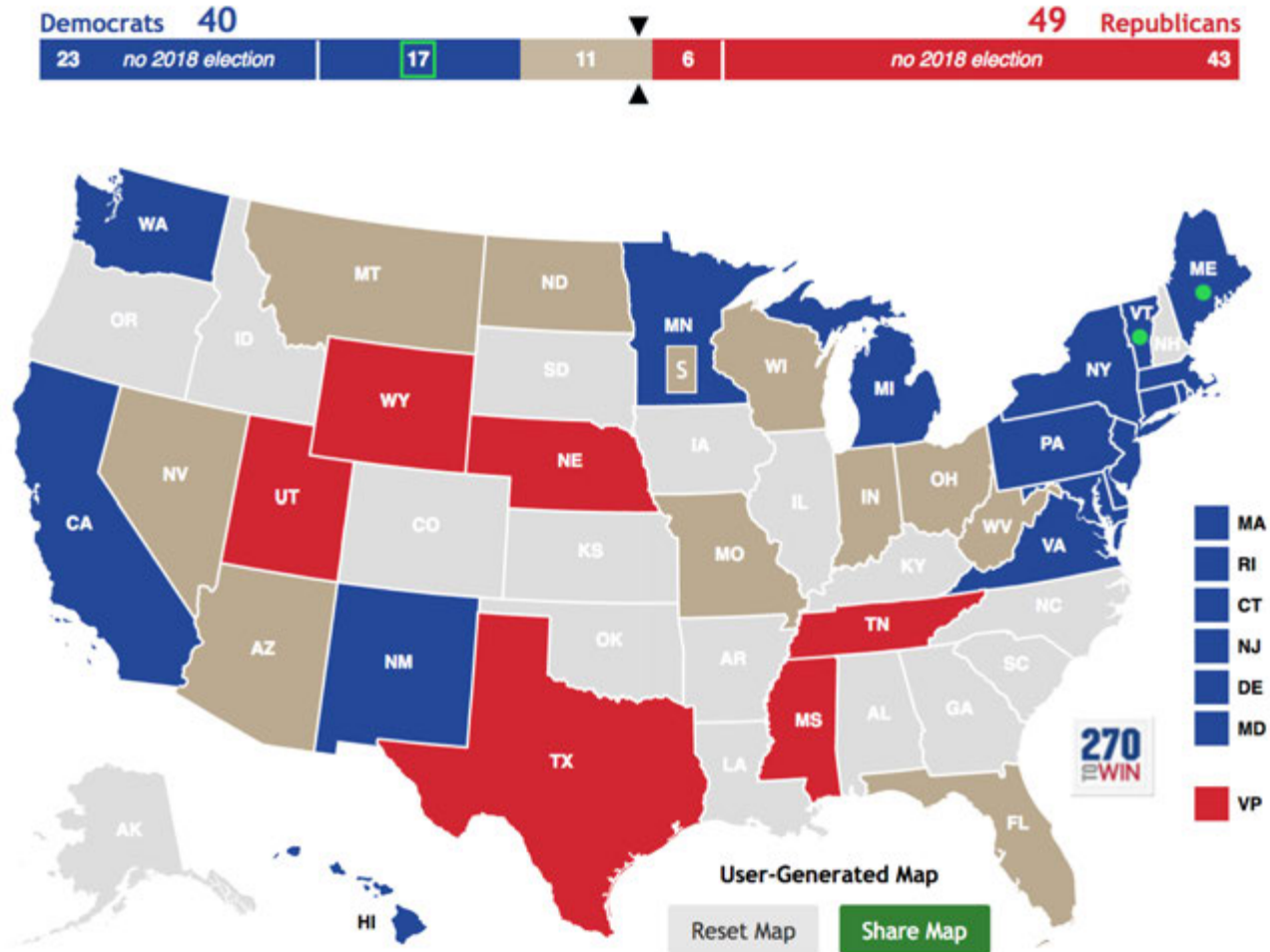
Cost will be major factor

Pesticide double permitting

Farm bills often are delayed, we don't expect this one to be different.

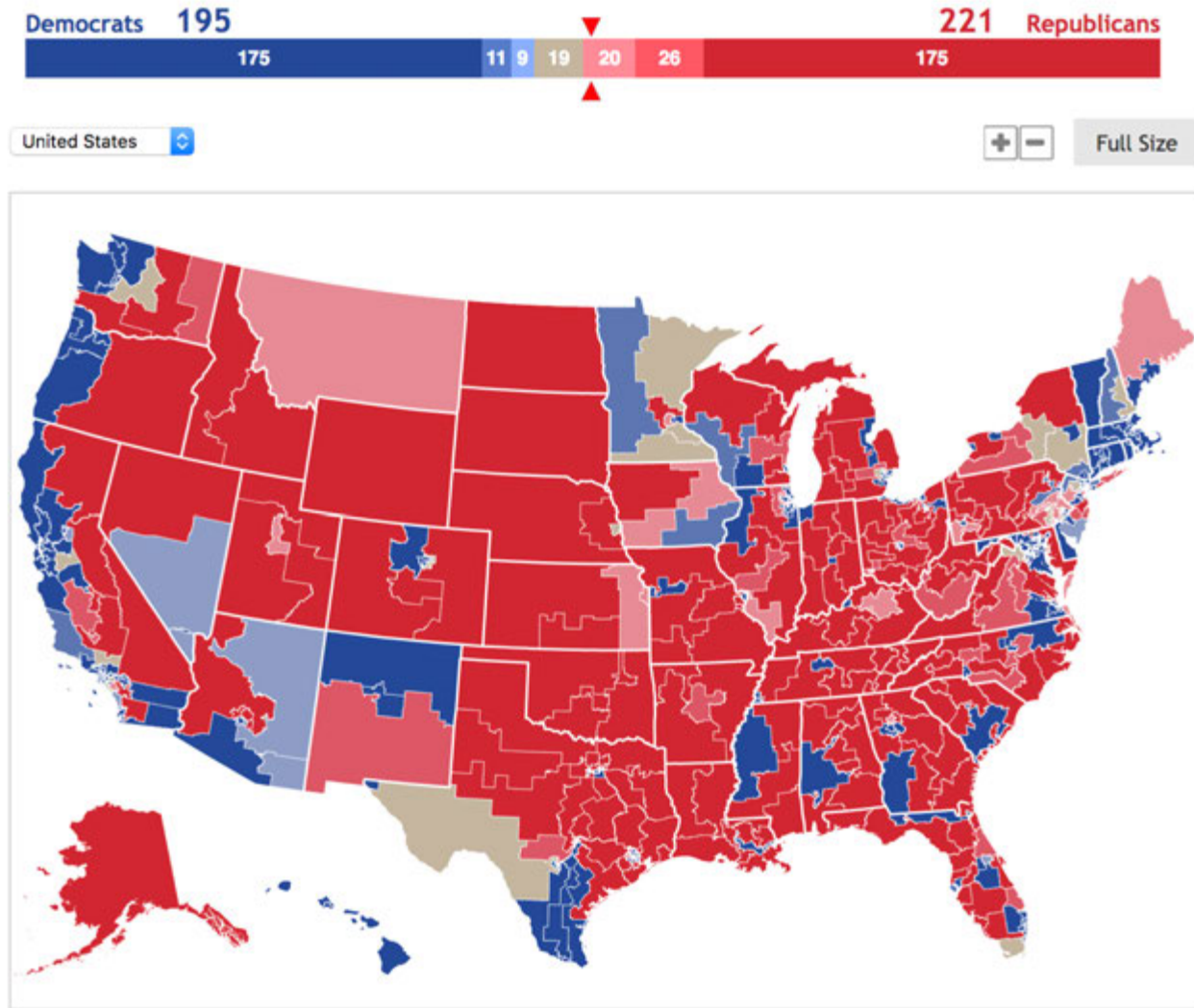
Looking into the not so
distant future...

Senate Midterm Elections



Current: 51R - 47D - 2I

House Midterm Elections



House Midterm Implications

Republicans hold:

176 “Solid R” seats
25 “Likely R” seats
21 “Lean R” Seats

Democrats hold:

176 “Solid D” seats
9 “Likely D” seats
9 “Lean D” seats

▶ **Of Note**

- **19** seats considered “Toss up”
- **Rs** hold **23** seats that Clinton won in 2016 election
- All else equal, **Ds** need **24** seats for majority in House

What does this mean?

Midterm elections = short legislative calendar.

Water users need to be engaged and push priorities with both Congress and Administration.

2018 NWRA Meetings

Federal Water Issues Conference

April 9-11

Embassy Suites, Washington, DC

Western Water Seminar

August 1-3

Park City Resort, Park City, UT

87th Annual Conference

November 7-9

Hotel del Coronado, Coronado, CA



THANK YOU