Prospects for Funding Water Infrastructure
A Federal View

The Business of Water
University of Arizona WRRC
National Water Resources Association Perspective
March 28, 2018
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

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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

<table>
<thead>
<tr>
<th></th>
<th>FY16 Enacted</th>
<th>FY 17 Enacted</th>
<th>FY 18 Requested</th>
<th>FY 18 Enacted</th>
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<td><strong>Operations and Maintenance</strong></td>
<td>3.14 B</td>
<td>3.149 B</td>
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<td><strong>Construction</strong></td>
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<td><strong>Flood Control and Coastal Emergencies</strong></td>
<td>28 M</td>
<td>32 M</td>
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<td><strong>General Investigations</strong></td>
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<td><strong>Corps Regulatory Program</strong></td>
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<td><strong>Total</strong></td>
<td>$5.99 B</td>
<td>$6 B</td>
<td>$5 B</td>
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# FY 2019 Request BOR

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<th>Category</th>
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<td>WaterSMART Grants</td>
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<td>23 M</td>
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<td>Cooperative Watershed Management Program</td>
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<td>Basin Studies</td>
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<td>5.2 M</td>
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<td>Drought Response</td>
<td>6.6 M</td>
<td>4 M</td>
<td>3.25 M</td>
<td>4 M</td>
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<td>Resilient Infrastructure</td>
<td>2.5 M</td>
<td>1.5 M</td>
<td>-</td>
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<td>Water Conservation Field Services Program (WCFSP)</td>
<td>4.239 M</td>
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<td>4.038 M</td>
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<td>Title XVI Projects</td>
<td>32.365 M</td>
<td>34.406 M</td>
<td>21.500 M</td>
<td>54 M (includes WIIN)</td>
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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


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 entitles 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

Current: 238R – 193D – 4 vacant
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

- 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