

Summary of “Drought Resiliency and Water Supply Infrastructure Act”

- Expands and updates Bureau of Reclamation funding authorizations in the Water Infrastructure Improvements for the Nation (WIIN) Act (Public Law 114-322).
- **Authorizes the following funding** (all at the fiscal year 2019 level extended over 5 years):
 - **\$670 million for surface and groundwater storage projects, and supporting conveyance**
 - **\$100 million for water recycling projects**
 - **\$60 million for desalination projects**
- **Creates a new loan program at 30-year Treasury rates (currently about 2.6%) for water supply projects** known as the Reclamation Infrastructure Finance and Innovation Act (RIFIA):
 - The \$150 million authorized funding level **would make available \$8 to \$12 billion in lending authority for the low-interest loans**
 - The loans would use existing criteria under the successful WIFIA program (the Water Infrastructure Finance and Innovation Act)
 - The Bureau of Reclamation would recommend which projects should receive funding and EPA would administer the loans, per an agreement they are required to complete by October 2019 under existing law
- **Authorizes \$140 million for restoration and environmental compliance projects**, including forest, meadow and watershed restoration projects with water benefits and projects to help restore threatened and endangered species affected by Bureau of Reclamation water projects.
- **Provides a fiscally realistic way for Reclamation to assist with drought resiliency projects.**
 - Given federal budgets, the federal government can no longer pay up front the full cost of western water projects under the traditional Bureau of Reclamation model.
 - At much lower federal cost, the bill facilitates water supply projects by combining
 - grants for up to 50% of the cost of federally-owned projects and up to 25% of the cost of state and local-led projects, with
 - loans at the 30-year Treasury rate (currently about 2.6%) to help water districts afford their cost-share for state, local, and tribal projects. Repayment can be deferred until 5 years after substantial completion of the project, and the loans’ duration is 35 years.
- Because Congressional authorization for each individual project typically adds many years to the already lengthy process for project approval, allows Congress to approve funding for each project more expeditiously through the existing appropriations process.
- The bill also includes two offsets:
 - It extends the existing WIIN Act provisions allowing water districts to prepay their outstanding capital debts and convert to indefinite length water supply contracts.
 - It sets up a process to deauthorize inactive water recycling project authorizations.