



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Manager

July 7, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232 Capitol Building
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-230 U.S. Capitol
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-107 Capitol Building
Washington, D.C. 20515

The Honorable Charles Schumer
Minority Leader
United States Senate
S-221 U.S. Capitol
Washington, D.C. 20510

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

The Metropolitan Water District of Southern California (Metropolitan) appreciates your leadership during the COVID-19 pandemic. Metropolitan is a regional wholesaler that provides water for 26 member agencies to deliver - either directly or through their sub-agencies - to nearly 19 million people living in Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura counties.

As the nation begins to recover from the devastating effects of the coronavirus, water agencies are working tirelessly to ensure their residents continue to have safe and reliable water services. Whether through the FY '21 appropriations process or in a separate infrastructure bill, investing in water infrastructure now will help our economy and our communities. To accomplish this goal, Metropolitan requests you consider the following items:

1. Invest in Drinking Water and Wastewater Infrastructure

Most federal funding for water infrastructure projects flows through the Environmental Protection Agency's (EPA) Clean Water and Safe Drinking Water State Revolving Fund (SRF). Every year, states receive more SRF project proposals than they have money to fund. Increasing funding for this important program will help reduce the project backlog. In light of the pandemic's strain on local government's budgets, this federal support should be provided in the form of grants, principal forgiveness and negative interest loans. Metropolitan requests \$13 billion for the drinking water and clean water revolving loan fund.

Additionally, EPA's Water Infrastructure Finance and Innovation Act (WIFIA) provides low interest loans for large regional water projects. This new program issued its first loans in 2017 and to date 23 WIFIA loans have closed, providing \$5.2 billion in credit assistance to help finance water infrastructure projects, including eight projects in California. Increasing federal

funding for this program will allow more regionally significant projects to move forward. Metropolitan is requesting \$100 million for WIFIA.

2. Increase the Bureau of Reclamation's Water Infrastructure Account

The Bureau of Reclamation helps manage and deliver water in the western United States. Metropolitan urges increased investment in Reclamation programs including funding for the Water Innovation and Infrastructure Improvements for the Nation Act. These include provisions on science, storage, and water recycling. Federal support for all three of these programs is essential to effectively manage water and the variability associated with climate change to ensure water supply reliability. Metropolitan requests at least \$85 million for science, \$134 million for storage, and at least \$100 million for water recycling

Additionally, federal investment is needed to restore the carrying capacity of California's water conveyance system. This federal and state system that carries water from the Sacramento-San Joaquin Delta to Southern California has suffered a significant reduction in capacity as a result of land subsidence along the aqueduct. In addition to lost capacity, continued subsidence will increase pumping costs to operate the project. Both groundwater overdraft and extreme drought have contributed to subsidence in these areas and federal support will help restore the capacity and reliability of California's water delivery system. Metropolitan requests \$600 million for this fix.

The Safety of Dams program evaluates and implements corrective action to address dam safety concerns. Once the Bureau of Reclamation begins risk modifications to a dam, local partners share 15% of the associated costs. The Safety of Dams program is approaching its appropriations ceiling and it urgently needs to be raised by at least \$1.3 billion so that vital safety improvements across the West can move forward. In California repairs to the San Luis Dam are ready to begin construction as soon as federal funding is available.

The Colorado River Drought Contingency Plan Authorization Act was signed into law in April 2019. This historic agreement adopting consensus-based drought contingency plans involved tremendous collaboration between each basin state, American Indian tribes, and the Republic of Mexico. This Act requires the Department of Interior (DOI) to provide 100,000 acre feet of storage for the benefit of the system annually. The federal commitment to generate system water hasn't been met since the legislation was enacted. Metropolitan requests \$250 million to enable DOI to meet its DCP obligation.

3. Accelerate Cleanup of the Colorado River

Uranium remains a threat to the Colorado River water quality until remediation of the Moab site is complete. In 2009, the Department of Energy (DOE) received \$108 million in funds under the American Recovery and Reinvestment Act to accelerate removal of a 16 million-ton pile of uranium, situated 750 feet from the Colorado River near Moab, Utah. This initial funding allowed for the rapid removal of two million tons of uranium in two years at a rate of two trains per day, five days per week. However, reduced federal funding since then has slowed the pace of

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cleanup. For the past two years, DOE has invested \$45 million to increase mill tailings shipments to one train per day, four days per week. To date, 10.6 million tons of uranium have been removed. Metropolitan requests \$200 million to once again accelerate removal of uranium from the Colorado River.

The Bureau of Reclamation recently informed contractors of the discovery and the need to investigate and clean up a waste disposal site near Hoover Dam. Metropolitan requests \$6 million to fund this work.

4. Support Advances in Outdoor Water Use

Limited water supplies are shared across the western states and much of that water use is outdoors for agriculture or urban landscaping. Emerging technologies are ushering in new opportunities to improve agricultural and urban outdoor water use, while maintaining agricultural production and the vitality of our urban landscapes. Collectively, these satellite- and computer-based technologies are part of the new era of remote sensing, which can measure and predict agricultural water use, urban outdoor water use, and even reservoir evaporation. OpenET (Open Evapotranspiration) is a unique partnership of industry, non-governmental organizations, government, and leading universities across the United States. OpenET's mission is to develop a publicly available dataset of consumptive water use based on the state-of-the-art remote sensing technologies. Currently, no such system exists for monitoring and forecasting agricultural water use. Metropolitan supports OpenET's request for \$4 million of funding each year for the next four years through the USGS Water Availability and Use Science Program for a project to collaboratively develop the OpenET software platform.

5. Create a New Fund to Improve System Reliability and Resiliency

Metropolitan, working with our member agencies, developed a list of 446 "ready-to-go" water infrastructure projects totaling \$8.5 billion. Many of these vital projects include repair and rehabilitation of pipelines, seismic improvements, and other essential infrastructure to help the region's water supply become more resilient and reliable. While not traditionally funded by federal water infrastructure programs, these public works projects improve efficiency, and many reduce the region's dependence on imported water. Funding these short turnaround projects provides a new path forward to generate jobs, stimulate the economy, and increase Southern California's water portfolio resiliency.

Water systems nationwide are experiencing severe revenue losses as a result of increased delinquencies, reduced commercial revenues, disconnection moratoriums, and higher personnel expenses related to the pandemic. An analysis produced by the Association of Metropolitan Water Agencies and the American Water Works Association estimated that drinking water utilities across the country are facing an annualized revenue loss of approximately \$13.9 billion as a result of the pandemic – a sum equal to nearly 17 percent of the sector's annual revenue. Without federal aid, these losses have the potential to hinder utility operations and delay capital expenditures. A new federal program to improve system reliability and resiliency would ensure that these vital water projects can move forward even in these times of constrained budgets.

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6. Help Low-Income Ratepayers

Nearly 50 percent of our service area meets the definition of disadvantaged community and COVID-19 has had a disproportionate impact on these communities. COVID-19 response legislation should also include a separate component to ensure that low-income customers are able to afford to keep up with water bills throughout the pandemic. Even as many water systems have suspended nonpayment-related shutoffs during the crisis, customers must continue to be charged for the water they use. Without federal assistance targeted at these customers, some low-income households will fall even further behind on their bills, making it that much more difficult for them to catch up with their payments once the crisis ends.

Please feel free to contact me if Metropolitan can be a resource to you and your staff as the 116th Congress completes work this year on a comprehensive infrastructure legislation package.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Kightlinger". The signature is fluid and cursive, with the first name "Jeff" and last name "Kightlinger" clearly distinguishable.

Jeffrey Kightlinger
General Manager

cc: Southern California Congressional Delegation