

Hicks-Ray Associates



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TO: WESTCAS Membership

FROM: Fred B. Hicks and Tom Ray

SUBJECT: Ongoing Reports: Where Will the Money Come From to Build Water Resources Infrastructure?

This is the latest in our series of reports on the status of critical water resources issues at the beginning of the Congressional summer recess.

There is a growing consensus in the water resources community that the multi-hundreds of billions of dollars needed for investment in new and replacement infrastructure cannot be met through the traditional appropriations process. The response has been a variety of concepts for the creation of infrastructure banks.

This process has hit two snags. The first is the reluctance of many in Congress to find the dollars necessary to provide initial capital and get the process started. The second is the lack of a consensus for who would control the infrastructure banks. Should this be USEPA? The regional offices of USEPA? The existing State SRF programs?

Strong and compelling arguments have been made by Members of Congress and stakeholders during Congressional testimony in support of each of these options. But the fact is that nothing remotely like a consensus has emerged. If it cannot be determined who should control infrastructure banks, it is hard to move to the next steps and make them a reality.

It is all but certain that cuts in Federal discretionary spending over the coming years will take a heavy toll on the USEPA SRF program while Corps of Engineers and Bureau of Reclamation funding will struggle to keep up with inflation. Identifying alternative sources for water infrastructure funding that are scaled to the magnitude of the challenge ahead must be a national priority.

WESTCAS is already engaged in this debate, including the meeting which WESTCAS representatives had with House Transportation and Infrastructure Committee representatives during the Washington Fly-In earlier this year. Do those reading this update believe that WESTCAS can come up with a consensus with regard to who should control Federal water infrastructure bank funding? That might be the next step.

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