Hicks-Ray Associates

January 29, 2009

TO: WESTCAS Membership

FROM: Hicks-Ray Associates

SUBJECT: Stimulus Updates

Starting with this report, we will begin referring to the Stimulus by its proper name which is the "American Recovery and Reinvestment Act of 2009." The House version of the bill which passed yesterday is HR 1. We'll call it "ARRA" for short.

Various Committees of jurisdiction in the Senate including Appropriations and Finance marked up their version of the bill earlier this week and floor consideration is expected next week. After that, there will be a House/Senate conference with the goal of presenting a final bill to the President for signature by February 13th.

For those of us who advocate for water resources infrastructure, there are both surprises and also disappointments in the House and Senate "ARRA" markups. Included among the disappointments is that only about 1% of the total bill is for water and wastewater and water reuse infrastructure. This figure grows slightly when various set-asides for rural water are added in, but not by much.

But on the bright side, substantial Title 16 water reuse funding is provided in both the House and the Senate Appropriations markups and the Senate Appropriations mark contains an arcane phase ["hereafter and heretofor] which has the potential to unlock new start funding for water resources infrastructure.

There is no better way to make one's readers "seasick" than to launch into an ocean of numbers. We don't want to do that, but it is important that WESTCAS members understand the differences in funding and also policy language between the House and the Senate bills since this is the only sure guide with regard to where WESTCAS should engage with regard to the ARRA House-Senate conference. So, here goes:

EPA ARRA Funding

• House: \$6,000,000 in Clean Water SRF funding.

• \$2,000,000 in Drinking Water SRF funding.

• Senate: \$4,000,000 in Clean Water SRF funding.

• \$2,000,000 in Drinking Water SRF funding.

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Bureau of Reclamation

• House: \$500,000,000

\$126,000,000 for Title 16 Water Reuse with \$80,000,000 set-aside for

rural water systems

• Senate: \$1,400,000,000, including funding for the Colorado River Dams \$110,000,000 for Title 16 with \$60,000,000 rural water set-aside

\$50,000,000 for Central Utah Project \$50,000,000 California Bay-Delta

\$10,000,000 Bureau-wide inspection of canal systems

Corps of Engineers

House: \$2,000,000,000 for Corps Construction program.
Effectively precludes environmental infrastructure "new starts" for most projects through the use of the following language:
"Funds provided may only be used for programs, projects, or activities previously funded."

• Senate: \$2,000,000 for Corps Construction program but with two key provisions:

"Provided that not less than \$200,000,000 of the funds provided shall be for water-related environmental infrastructure assistance." "Provided further, that funds provided under this heading in this title Shall only be used for programs, projects or activities that HERETOFOR OR HEREAFTER RECEIVE FUNDS provided in the Acts making Appropriations available for Energy and Water Development." [The highlighted language above is from us]

CONCLUSION

Lots of numbers and lots of arcane "legislative language." But for the arid West, this language may well hold the key to opening up both the Bureau and the Corps of Engineers to new start water resources projects. This would be huge. Please bear with us as we continue to sort through the House and Senate ARRA versions of the bill and talk to people about their meaning. WESTCAS will be writing letters in support of the higher dollar figures and legislative language that best helps secure the water future of the West.

You can access the Senate ARRA Appropriations ARRA bill by going to www.appropriations.senate.gov The download site is easy to see. The Corps and Bureau provisions begin on page 59 and the EPA on page 117.

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