

Carlsbad Municipal Water District

Central Basin Municipal Water District

Dallas Water Utilities

Eastern Municipal Water District

Irvine Ranch Water District

Leucadia Wastewater District

Los Angeles Department of Water and Power

Metropolitan Water District of Southern California

Monterey One Water

North Texas Municipal Water District

City of Oceanside Water Utilities Department

Olivenhain Municipal Water District

Orange County Water District

Palmdale Water District

City of Palo Alto

Rincon del Diablo Municipal Water District

Sabine River Authority of Texas

San Eljio Joint Powers Authority

Santa Fe Irrigation District

Santa Margarita Water District

Tarrant Regional Water District

Texas Water Conservation Association

Trinity River Authority of Texas

Vallecitos Water District

Waco Water Utility Services

West Basin Municipal Water District

West Bay Sanitary District

Western Coalition of Arid States

September 12, 2017

The Honorable Dianne Feinstein
United States Senate
Washington, D.C. 20510

The Honorable Ken Calvert
U.S. House of Representatives
Washington, D.C. 20515

Dear Senator Feinstein and Representative Calvert:

We are writing to bring to your attention an important and troubling development pertaining to the implementation of the newly reformed and revitalized Bureau of Reclamation Title XVI program that was included in the WIIN Act last year. We recently became aware of this matter that could significantly and adversely affect those entities with new Title XVI projects that have Bureau of Reclamation (Bureau) approved feasibility studies. We believe this matter deserves your immediate attention.

As you will recall, the newly enacted Title XVI amendments eliminated the need for Title XVI projects to be congressionally authorized. Henceforth, project sponsors may submit completed feasibility studies to the Bureau. The studies that receive Bureau approval are eligible to competitively vie for available appropriated funds. At the time these important amendments to Title XVI were approved, those of us who were advocating for this reform understood clearly that the legislation did not create a new or separate federal water recycling and reuse program. Rather, it simply amended the existing authorization to create a new means of approving and funding projects that was in compliance with the earmark ban.

Our understanding is the Bureau of Reclamation initially set forth to conduct a single grant competition open to all previously authorized projects, as well as new projects with approved feasibility studies pursuant to the WIIN Act. However, the Bureau of Reclamation decided to bifurcate the program largely based upon the FY 2017 Omnibus Appropriations Act that separately allocates a portion of the overall Title XVI funding to "projects as authorized in section 4009(c) of Public Law 114-322" (the WIIN Act).

The FY18 House-passed and the Senate Appropriations Committee-passed Energy and Water Appropriations bills include approximately \$35 million in funding for Title XVI program; however, only allocates \$10 million for

the so-called new projects. We believe that there is no statutory justification for this bifurcated approach and that it discriminates against the new projects in favor of the older Congressionally authorized projects that have received millions of dollars in appropriated funds. It is our view that the entire amount of funding for the Title XVI program should be allocated by means of a single grant competition that is open to all projects – new and old alike.

As of July 2017, there are 37 projects that have had Feasibility Studies approved by the Bureau and deemed eligible to apply for Title XVI funding through the competitive grant process. This number is likely to grow before the FY 2018 grant competition is initiated. There are currently 29 projects with Congressional authorizations. The remaining eligible federal cost share for those projects is \$469,051,926. It should be noted that several of the Congressionally authorized projects are not subject to the \$20 million limit established in 1996. As an example, one project has received over \$130 million to date and is still eligible to receive more than \$40 million. In the coming years, the list of new projects will continue to grow while the number of Congressionally authorized projects will not. Thus, if the Title XVI program is bifurcated, sponsors with new projects will be forced to compete against more and more projects while the older projects will be shielded from this competition. Given the fact that the older projects have already received millions of dollars of federal funding, this seems not only unequitable but cannot be justified by a clear reading of the statute.

When Congress completes the FY 2018 Energy and Water Development Appropriations bill this fall, we urge you to advocate for the elimination of the bifurcated funding for Title XVI and support the inclusion of report language directing the Bureau of Reclamation to administer Title XVI as a *single* program in which every eligible project competes fairly for all appropriated funds. We strongly believe that these changes will resolve the current confusion surrounding the administration of the program.

We thank you in advance for your consideration of this request. We look forward to discussing this further with you and your staff.

c: House of Representatives Committee on Appropriations
Senate Committee on Appropriations
House of Representatives Committee on Natural Resources
Senate Committee on Energy and Natural Resources

Sincerely,



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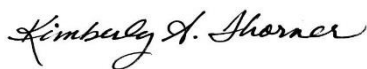
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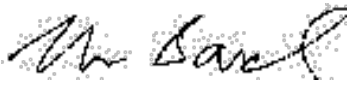


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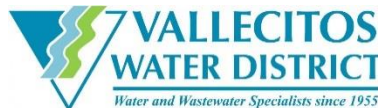
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District Manager
West Bay Sanitary District



Steve Bigley, President
Western Coalition of Arid
States



"The Voice of Water Quality in the Arid West"