September 5, 2019

LATE SUMMER UPDATE – FALL OUTLOOK

With the summer winding down and Congress in recess, the CWCC is getting ready for a busy fall. 2019 is generally an off-year for federal elections (with the exception of 4 special elections to replace members who have resigned or died in the 116th US Congress). There are only three states that will hold gubernatorial elections. Short of a handful of state legislative elections, much of the political focus attention will be on the culling of the Democratic field to challenge President Trump in 2020. Hope remains that the President will come out in front of an infrastructure package (including “pay-fors”) that can see the light of day this year. There are some that say the Democrats will not give the President a “win” but we are choosing to remain optimistic and actively at the table.

Beyond tracking a “mega” deal on infrastructure, Key Advocates, on behalf of the CWCC, is focusing on following bills that would address several Coalition priorities:

- H.R. 2741, “Leading Infrastructure for Tomorrow’s America Act” (the “Lift America Act”)
- S. 1932, “Drought Resiliency and Water Supply Infrastructure Act”

In addition, the Coalition is tracking and anticipating action in the Senate on the FY20 appropriation bills for the SRF / WIFIA programs. As reported last month, over the summer the House passed a “minibus” that includes the FY20 Interior Appropriations Bill providing $1.81B for the Clean Water SRF, $1.3B (the amount authorized by the America’s Water Infrastructure Act of 2018) for the Safe Drinking Water SRF, and $50M for WIFIA.

Similarly, in June the House passed its version of the FY20 Energy and Water Appropriations bill as part of another “minibus” which provides $63.617M for Title XVI (of which $10M is for the Title XVI WIIN grant program) and $60M for WaterSMART and lists the names of the FY18 USBR Title XVI grant awardees, as required by law.
In addition, we can report that there has been no action in the Senate on the transportation appropriations bills we have been tracking.

**CWCC TO BE REPRESENTED AT THE US WATER ALLIANCE CONFERENCE**

As a member of the US Water Alliance, the CWCC is sending a delegate to the **Annual One Water Summit** being held in Austin, TX from September 18-20.

Although much of the conference sessions are dedicated to water utility management and communication, we have pushed for the scope to be expanded to include relevant utility construction related matters. As such, for the first time there will be a panel on “**Procurement Reform**” that Dan Kennedy will attend and participate in. We all recognize procurement as one of the big barriers and the antiquated and non-standardized procurement processes hold public agencies back from proper planning, financing, construction and management of water systems. Hiring and contracting practices will be discussed that often are based in good-hearted advocacy but are challenging for contractors to implement. The session will include utility leaders that are reforming their procurement practices to broaden financing options, quicken the pace of projects, and ensure community benefits.

Dan will be part of a delegation for NJ that includes water utility leaders, environmental and community advocates and regulators. UTCA of NJ is part of a larger coalition called Jersey Water Works, which is a cross-sector group taking on entrenched water challenges. For more information on this coalition in NJ, please see: [www.jerseywaterworks.org](http://www.jerseywaterworks.org) or give Dan a call to discuss at 732-292-4300.

**IMAGINE A DAY WITHOUT WATER – OCTOBER 23, 2019**

Last year, over 1,000 organizations participated in a strategic communications effort branded “Imagine a Day Without Water.” This is a way for your organizations to participate in a wider communication and stakeholder engagement for no cost. This wide public push can be a part of your strategy to support utilities getting the investment they need to replace aging infrastructure.
The message for this project was developed to be generic but impactful. You can feel free to take this message framework and tailor it to better suit the specific issues and solutions you want to highlight for Imagine a Day Without Water. By signing up, you get access to resources to easily:

1. Engaged on social media
2. Host an event
3. Push the need for increased investment into the news
4. Partner with a local mayor or other public official
5. Bring issuing into the classroom

For more information, please visit: http://imagineadaywithoutwater.org/

KEY ADVOCATES REPORT

Included with this notice is Key Advocates recent report which is current to the end of August.
**Infrastructure**

Congress is in recess until after Labor Day. Key Advocates (KA) has been in touch with people working on our issues to find out what they’re thinking. KA checked with the Democrats in the House and Senate who are saying that the President has agreed to a meeting in September to focus on infrastructure scope - how big and how to pay for it. Republicans are being quiet until the President is out front. KA wasn’t able to confirm the meeting with the White House or the Department of Transportation. KA is also staying in touch with the Senate Environment and Public Works Committee regarding their outline and infrastructure ask, with the Senate Democrats who announced their outline last January under Schumer, and on the House side with Majority Leader Hoyer.

**H.R. 2741, the “Leading Infrastructure for Tomorrow’s American Act” (the “Lift America Act”)**

On May 22, the House Energy and Commerce Committee held a hearing on H.R. 2741, the “Leading Infrastructure for Tomorrow’s America Act.” Regarding safe drinking water, the bill includes the following:

**Title II—Drinking Water Infrastructure**

**Subtitle A. Providing Financial Assistance for Safe Drinking Water Act**
This subtitle would amend the Safe Drinking Water Act to require the Environmental Protection Agency (EPA) Administrator to establish, within 180 days of enactment, a program to award grants to water systems affected by contamination from per- or polyfluoralkyl substances (PFAS) to pay the capital costs associated with eligible treatment technologies. These grants would provide up to $2.5 billion over five years to affected water systems to combat PFAS contamination. The legislation further directs the EPA Administrator to create a list of eligible treatment technologies, defined as those that can remove all detectable amounts of PFAS from drinking water.

**Subtitle B. Additional Drinking Water Funding**
The LIFT America Act includes provisions to extend and increase authorizations of $18.69 billion for essential drinking water programs including the Safe Drinking Water State Revolving Loan Fund, the Indian Reservation Drinking Water Program, School and Child Care Program Lead Testing grants, Lead Drinking Fountain Replacement, Community Water System Risk and Resilience grants, and Public Water System Supervision grants to states. This subtitle also extends Buy American requirements for drinking water projects along with the funding extension.

*Status Update: Markup expected in September.*
Napolitano H.R. 1162, the “Water Recycling Investment and Improvement Act”

To review, on Feb.13, the Congresswoman introduced the above bill (with 17 cosponsors, now 26– all Dems) which the Coalition reported to her office its support. The Coalition supported her bill last Congress. Two changes were made from last year’s version: 1) the EPA grant program was dropped so the focus could be on Title XVI; and, 2) the cap on the Federal share for individual projects was kept but increased from $20M to $30M. Per the Congresswoman’s office, the following summary was provided:

- Increases the WIIN Act authorization for Title XVI from $50 million to $500 million
- Makes the WIIN Act Title XVI program permanent as it currently expires in 2021.
- Strikes the requirement that projects must be in drought or disaster areas
- Strikes the requirement that the projects need to be designated in an appropriations legislation
- Increase the limitation on the federal share of individual Title XVI projects from the current $20 million in October 1996 prices to $30 million in January 2019 prices.
- Does not change the 25% federal cost share.

On June 13, the Subcommittee on Water, Oceans, and Wildlife (WOW) of the House Natural Resources Committee held a legislative hearing on the bill.

**Status Update:** Per the Committee, the goal is for markup by end of September/early October.


Introduced on May 2 by Congressman Josh Harder (D-CA-10) with 7 cosponsors – all CA Dems including Reps. Napolitano, McNerney and Panetta. Note: on Feb. 28, the Coalition met with Harder’s staff in DC and were told that he was working on a water bill. The official summary of the bill is not online. However, in general the bill provides $100M for Title XVI WIIN grants from deposits made to the Reclamation Fund; authorizes $150M for a reclamation infrastructure finance and innovation pilot program; increases the current Title XVI WIIN grant authorization from $50M to $500M (the same increase as in Cong. Napolitano’s H.R. 1162) and raises the Federal share cap from $20M to $30M; and, establishes a water technology investment program to expand use of technology for improving the availability and resiliency of water supplies and power delivers, and authorizes $5M per fiscal year for the program. The bill was referred to the Natural Resources Committee. On June 13, the Subcommittee on Water, Oceans, and Wildlife (WOW) of the House Natural Resources Committee held a legislative hearing on the bill.

**Status Update:** Markup pending “still trying to work things out.”

S. 1932, “Drought Resiliency and Water Supply Infrastructure Act”

Introduced on June 20 by Senator Cory Gardner (D-CO) with cosponsors Senators Feinstein, McSally (R-AZ) and Sinema (D-AZ). The bill was referred to the Energy and Natural Resources Committee. McSally is the Chair of its Water and Power Subcommittee. Gardner is a member of the Subcommittee. Sinema is not on the Committee. The bill would authorize for FY19-24 $670M for surface and groundwater storage projects, $100M for water recycling projects, and $60M for desalination projects. It would also create a new loan program at 30-year Treasury rates for water supply projects known as the Reclamation Infrastructure Finance and Innovation Act (RIFIA). The $150M authorized for the program would make available $8 to $12B in
lending authority for the low interest loans. The loans would use existing criteria under the WIFIA program, with projects for funding to be recommended by the Bureau of Reclamation, and with the loans to be administered by EPA. The draft also would authorize $140M for restoration and environmental compliance projects. The bill provides offsets, one of which is a process to de-authorize inactive water recycling projects – projects for which no Federal or sponsor funds were spent on construction in the past 10 years, with an allowance of two and one-half years to spend funds to prevent de-authorization.

**Status Update:** Senator Feinstein’s office said that they put the word out to all Senate Members to ask for comments. They are working through the comments and don’t want to take the bill to markup until they are confident that it will be the final version to go to the Floor. Timing not specified.


To review, in March Chair DeFazio, Subcommittee Chair Napolitano, and Representatives Don Young and John Katko introduced the above bill (now with 45 cosponsors) which the Coalition sent a letter of support to the Committee. The bill:

- Authorizes $20 billion in Federal grants over five years for Clean Water SRFs.
- Authorizes $1.5 billion over five years for grants to implement state water pollution control programs.
- Provides $600 million over five years for Clean Water pilot programs (including Federal technical assistance and/or grants) for watershed-based or system-wide efforts to address wet weather discharges, to promote storm water best management practices, to undertake integrated water resource management, and to increase the resiliency of treatment works to natural or man-made disasters.
- Authorizes $375 million in grants over five years for alternative water source projects including projects that reuse wastewater and storm water to augment the existing sources of water.

**Status Update:** The Committee is working through “mega” issues in the bill with markup expected in mid-September.

**McNerney “West Act”**

Last Congress, Congressman McNerney (D-CA-9) introduced an omnibus water and energy bill which the Coalition helped draft and supported. This Congress, McNerney is reintroducing the bill “in pieces” based on the committee of jurisdiction. To date, he has introduced two bills (on April 2 and May 16), both entitled the “Smart Energy and Water Efficiency Act of 2019,” one referred to the Science Committee, the other to the Energy and Commerce, Natural Resources and T&I Committees.

**Senate Environment and Public Works Committee Highway Bill**

To review, the EPW Committee reported its version of the highway bill – “America’s Transportation Infrastructure Act.” The bipartisan bill would authorize $287 billion in highway spending, 90- percent of which would be distributed to the states by formula. The bill also features a title on climate change, which would authorize $10.8 billion for various programs addressing resiliency and other climate issues over the next five fiscal years. That includes $1 billion for electric, hydrogen, and natural gas vehicle charging and fueling stations. It would also provide billions for programs aimed at curbing emissions and reducing congestion and truck idling. The legislation would also streamline infrastructure permitting and set a two-year target for environmental reviews. Lastly, the bill would authorize $12.5 million per year to fund state
and regional pilot testing of user-based alternative revenue mechanisms to the gas tax. The action by the Committee is intended to jump start the reauthorization process. However, notwithstanding its action, other Senate Committees – Finance (revenues), Commerce (rail, trucking and safety) and Banking (transit) – would still have to provide their titles to the bill. Action by those Committees is expected at the earliest in the fall. The House is behind the Senate in terms of schedule. At best, House committee actions would occur in the fall but more than likely spill over until next year. The current highway program expires Sept. 30, 2020.

**FY20 Interior Appropriations Bill**

The House has decided to package appropriations bills into what they call “minibuses” rather than consider bills individually on the Floor. On June 25, the House passed a minibus that includes the FY20 Interior Appropriations Bill providing $1.810B for the Clean Water SRF, $1.3B (the amount authorized by the Americas Water Infrastructure Act of 2018) for the Safe Drinking Water SRF, and $50M for WIFIA. The fact that the appropriators provided up to the authorized level for the Safe Drinking Water SRF argues for enactment of authorization levels above the $1.8B for the Clean Water SRF. The DeFazio bill authorizes $4B for the CWSRF for each of the next five fiscal years. No action to date on the Senate bill.

**FY20 Energy and Water Appropriations Bill**

On June 19, the House passed its version of the FY20 Energy and Water Appropriations bill as part of another minibus which provides $63.617M for Title XVI (of which $10M is for the Title XVI WIIN grant program) and $60M for WaterSMART, and lists the names of the FY18 USBR Title XVI grant awardees, as required by law. No action to date on the Senate bill.

**FY20 Transportation Appropriations Bill**

On June 25, the House passed a minibus that includes the Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations bill and several other appropriations bills for FY20. In total, the transportation legislation provides $137.1 billion in budgetary resources, an increase of $6 billion above the 2019 enacted level and $17.3 billion above the President’s budget request. Included in the bill: TIGER, $1B; Amtrak, $1.3B; highways, $49B; and, transit, $2.3B. No action to date on the Senate bill.

**Budget Deal**

Congress passed a two-year budget that increases spending for military and domestic programs and suspends the debt ceiling through mid-2021. The budget does not eliminate the threat of a government shutdown when federal spending runs out Oct. 1 because Congress still has to pass individual spending bills to fund agencies. The deal increases total discretionary spending from $1.32 trillion in the current fiscal year to $1.37 trillion in FY20 and $1.375 trillion the year after that. However, recent reports indicate that the House-passed FY20 Appropriations Bills exceed the deal’s funding totals by as much as $15B. What that means for the bills going forward is not clear.

**Bill Tracking**

S.352 — 116th Congress (2019-2020)

**BUILD Act**

Sponsor: Sen. Cornyn, John [R-TX] (Introduced 02/06/2019) Cosponsors: (1)
Committees: Finance Increases from $15 billion to $20.8 billion the national limitation on the amount of tax-exempt highway or surface freight transfer facility bonds.
Build America Act of 2019
Committees: Transportation and Infrastructure and Ways and Means
Directs the Department of Transportation (DOT) to carry out a national infrastructure investment grant program for capital investments in surface transportation infrastructure. Projects eligible for funding under the program include, at a minimum, highway and bridge projects, public transportation projects, passenger and freight rail transportation projects, and port infrastructure investments. In distributing grants under the program, DOT shall ensure an equitable geographic distribution of funds, an appropriate balance in addressing the needs of urban and rural areas, and investment in a variety of transportation modes. At least 20% of grant funds must be set aside for projects in rural areas. The bill amends the Internal Revenue Code to: (1) establish a National Infrastructure Investment Trust Fund, and (2) increase the tax on gasoline other than aviation gasoline and on diesel fuel or kerosene.

Move America Act of 2019
Sponsor: Sen. Hoeven, John [R-ND] (Introduced 01/16/2019) Cosponsors: (1)
Committees: Finance
Allows tax exempt Move America bonds and Move America tax credits to be used for certain infrastructure projects. A Move America bond is treated as a tax-exempt private facility bond with certain exceptions. At least 95% of the net proceeds from the issuance of the bond must be used for infrastructure projects. The bill specifies exceptions and modifications to existing rules for bonds regarding land acquisition, government ownership, rehabilitation expenditures, and the alternative minimum tax. The bonds are subject to a volume cap equal to 50% of a state's current private activity bond volume cap. States may exchange all or a portion of the volume cap for Move America tax credits to be allocated to taxpayers. The credits include (1) an equity credit for a portion of the basis of each qualified facility; and (2) an infrastructure fund credit for investments in qualified infrastructure funds, including a state infrastructure bank, a water pollution control revolving fund, or a drinking water treatment revolving loan fund.

National Infrastructure Development Bank Act of 2019
Committees: Energy and Commerce, Transportation and Infrastructure, Financial Services and Ways and Means

RAPID Act
Sponsor: Sen. Cornyn, John [R-TX] (Introduced 02/06/2019) Cosponsors: (1)
Committees: Environment and Public Works

IMAGINE Act
Committees: Environment and Public Works

Securing Energy Infrastructure Act
Committees: Science, Space, and Technology
Establishes a two-year pilot program within the Department of Energy's (DOE) national laboratories to (1) identify the security vulnerabilities of
certain entities in the energy sector, and (2) evaluate technology that can be used to isolate the most critical systems of such entities from cyberattacks.

In addition, DOE must establish a working group to evaluate the technology solutions proposed by the national laboratories and to develop a national strategy to isolate the energy grid from attacks.

H.R.228 — 116th Congress (2019-2020)
Increase Transportation Alternatives Investment Act of 2019
Sponsor: Rep. Velazquez, Nydia M. [D-NY-7] (Introduced 01/03/2019) Cosponsors: (2) Committees: Transportation and Infrastructure Directs the Department of Transportation (DOT) to ensure that states give preference under the Surface Transportation Block Grant Program to eligible projects that (1) are located in areas that are undergoing extensive repair or reconstruction of transportation infrastructure, including federal-aid highways, federally owned roads open for public travel, passenger rail facilities, and public transportation facilities; and (2) will provide transportation alternatives related to the closure of transportation infrastructure in such areas. DOT shall (1) carry out a competitive grant program to support community efforts to invest in transportation alternatives; and (2) give preference in awarding grants to projects located in such areas. Entities eligible for grants include state and local governments, metropolitan planning organizations, and rural planning organizations.

To amend the Intermodal Surface Transportation Efficiency Act of 1991 with respect to high priority corridors on the National Highway System, and for other purposes.
Committees: Transportation and Infrastructure

S.611 — 116th Congress (2019-2020)
Water Affordability, Transparency, Equity, Reliability Act of 2019
Committees: Environment and Public Works

H.R.1764 — 116th Congress (2019-2020)
To amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.
Committees: House - Transportation and Infrastructure

Surface Transportation Investment Act of 2019
Committees: Ways and Means and Transportation and Infrastructure. This bill limits or repeals certain tax benefits for major integrated oil companies, including (1) the foreign tax credit for companies that are dual capacity taxpayers, (2) the tax deduction for intangible drilling and development costs, (3) the percentage depletion allowance for oil and gas wells, and (4) the tax deduction for qualified tertiary injectant expenses. The bill modifies the definition of "major integrated oil company" to include certain successors in interest that control more than 50% of the crude oil production or natural gas production of the company. The bill establishes a Transportation Block Grant Fund and appropriates to the fund amounts equal to the increase in revenues as a result of this bill. The funds must be used for making grants under the Surface Transportation Block Grant Program.
**BRIDGE Act of 2019**
Committees: House - Energy and Commerce, Education and Labor

Sponsor: Sen. Sullivan, Dan [R-AK] (Introduced 05/16/2019) Cosponsors: (4)
Committee: Environment and Public Works. To improve the processes by which environmental documents are prepared and permits and applications are processed and regulated by Federal departments and agencies, and for other purposes.

H.R.3134 — 116th Congress (2019-2020) **To direct the Secretary of Transportation to assist States to rehabilitate or replace certain bridges, and for other purposes.**
Committee: Transportation and Infrastructure. To direct the Secretary of Transportation to assist States to rehabilitate or replace certain bridges, and for other purposes.

S.611 — 116th Congress (2019-2020)
**Water Affordability, Transparency, Equity, Reliability Act of 2019**
Committees: Environment and Public Works

**Surface Transportation Investment Act of 2019**
Committees: Ways and Means and Transportation and Infrastructure

H.R.1764 — 116th Congress (2019-2020)
**To amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.**
Committees: House - Transportation and Infrastructure