



RRIFIA Evolves Into RE-Act

Reclamation Reform and Infrastructure Finance and Innovation Act (RRIFIA)

Becomes Reclamation Efficiency Act of 2015 (RE-Act)

David Rabbitt, Director
Sonoma County Water Agency



Who we are

- 💧 North Bay Water Reuse Authority (NBWRA)
- 💧 Portions of Marin, Sonoma and Napa Counties around San Pablo Bay
- 💧 10 members agencies; 3 counties and 7 water and wastewater districts



NORTH BAY WATER REUSE PROGRAM
Water Supply Reliability through Regional Reuse

Why we are advocating for RE-Act

- 💧 We have 2 phased regional water recycling program
- 💧 Phase 1 is valued at \$100M in infrastructure implemented with:
 - \$25M in USBR Title XVI funds
 - \$4.8M in Prop 50 and 84 funds (to date)
 - \$74.2 in local rate payer funds



Why we are advocating for RE-Act

- Phase 2 is currently being studied
- Identified an additional 25,000 AFY of recycled water that can be captured and stored
- Initial cost estimates value Phase 2 infrastructure at \$125M
- We need funding tools to provide financial assistance to implement Phase 2 projects



Three key “tools” addressed in both RRIFIA and RE-Act:

- 💧 Both proposals amend existing Reclamation authorities to provide assistance to water managers across the West
- 💧 The tools:
 - 1) Federally Backed Loans
 - 2) Transfer of Title of Reclamation Facilities or Elements of Facilities
 - 3) Cost-Shared Competitive Grants for Small-Scale Storage, Integrated Regional Water Management and Recycling



Federally Backed Loans & Grants included in Water 21

- Water in the 21st Century (S. 176 and HR 291) includes authority for the Bureau to make:
 - Federal backed loans of up to 90% of project costs
 - Grants of up to \$15M or 50% of project costs
 - Title transfer provisions



Reclamation Efficiency Act of 2015 (RE-Act)

- Added a budget offset
- Caps loans at 49% of project costs
- Increase maximum competitive grants from \$15M to \$20M or 25% of project costs
- Title transfer language identical to W21
- Adds congressional oversight



Deauthorization Process

- Expedited process to deauthorize Reclamation projects and programs no longer viable
- Reclamation would work with Congress and project and program sponsors to identify projects and programs no longer viable
- Create a budget offset (savings) to pay for:
 - A competitive grant program
 - A guaranteed and secured loan program



RE-Act Loans

- 💧 New Reclamation financing tool - for water infrastructure projects associated with Reclamation projects (including Title XVI Projects) and provides:
 - Credit assistance for up to 49% of total project costs with a repayment period of up to 35 years at Treasury interest rates
 - Annual debt service savings of 10-20 % or more
 - Improved flexibility and cost-savings in comparison to municipal financing



RE-Act Loans

- 💧 Who's Eligible? - Water management and supply improvements, energy efficiency or hydropower, or other projects that meet other federal interests
- 💧 Congressional Budget Office (CBO) only scores the subsidy associated with the amount of federal exposure
- 💧 Huge leveraging of small federal investment



Additional RE-Act Loan Benefits

- 💧 No requirement to borrow for a debt service reserve fund
- 💧 A 5-year or longer deferral on initiation of repayment
- 💧 Amortized over 35-years rather than 30-year maximum for municipal bonds
- 💧 Ability to refinance existing water infrastructure debt



Difference between RE-Act Loans and WIFIA Loans

- 💧 WIFIA loans cannot be matched with municipal financing
- 💧 WIFIA loans cannot be used to support water storage projects beyond those otherwise eligible under the drinking water SRF
- 💧 RE-Act loans can be used to refinance existing debt, if refinancing creates additional capacity to invest more in water infrastructure; WIFIA is silent on this authority
- 💧 RE-Act loans will not compete with funds available to the SRFs



Transfer of Title Authority

- Allow transfer of a Reclamation project to a non-federal entity where construction and other obligations have been paid out by non-federal project beneficiaries
- Allow non-federal operating entity to obtain loan guarantee under RE-Act that does not constitute 'third-party' finance obligation
- Transfer subject to meeting (NEPA/ESA) requirements and no objection from committee of jurisdiction within 60-days of transfer



Grants for Storage, Integrated Regional Water Management and Recycling

- 💧 Allows participation with local water management to develop storage and conveyance
- 💧 Provides authority to participate in projects with cost-shared grants of up to \$20 million per project or 25 % of total, whichever is less



For More Information

- North Bay Water Reuse Authority Website
 - Copy of the Draft Legislation
 - Brochure that describes RE-ACT proposal and benefits
 - White Papers on Key Issues
 - RE-ACT Loan Calculator (calculate savings on financing)
 - Get Real-time quotes of the RE-ACT interest rates, adjust terms, make comparisons



Contact Information

 **www.NBWRA.org**

 **Brad Sherwood**

Community & Government Affairs

Sherwood@scwa.ca.gov

Sonoma County Water Agency

