



**ASSOCIATION OF  
METROPOLITAN  
WATER AGENCIES**

**LEADERS IN WATER**

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October 12, 2016

The Honorable James Inhofe  
Chairman  
Environment and Public Works Committee  
United States Senate  
Washington, DC 20510

The Honorable Bill Shuster  
Chairman  
Transportation and Infrastructure Committee  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Barbara Boxer  
Ranking Member  
Environment and Public Works Committee  
United States Senate  
Washington, DC 20510

The Honorable Peter DeFazio  
Ranking Member  
Transportation and Infrastructure Committee  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairmen Inhofe and Shuster and Ranking Members Boxer and DeFazio:

On behalf of the Association of Metropolitan Water Agencies (AMWA), we commend you for your successful efforts to pass versions of the “Water Resources Development Act (WRDA) of 2016” through the House and Senate. Now, as efforts to unify these two bills get underway, we urge you to include within the final WRDA legislation provisions to fund and strengthen EPA’s Water Infrastructure Finance and Innovation Act (WIFIA) program.

As you know, WIFIA attracted bipartisan support when it was enacted as part of the “Water Resources Reform and Development Act of 2014.” The innovative program was designed to help communities nationwide access low-cost financing for major drinking water and wastewater infrastructure projects – generally those expected to cost in excess of \$20 million. Since WIFIA’s creation EPA has been at work developing the program’s guidelines, and the agency is expected to issue its first WIFIA loans during the 2017 fiscal year.

S. 2848, the Senate-approved version of the 2016 WRDA bill, includes several small but important improvements to WIFIA that AMWA believes should be part of the final WRDA legislation. Found in Section 7302 of the bill, these improvements include making drought response projects explicitly eligible for WIFIA loans, giving WIFIA recipients the option to amortize program application fees over the life of their loan repayment period, and dropping WIFIA’s designation as a temporary “pilot” program – thus giving communities confidence that this source of reliable low-cost water infrastructure financing will be available for years to come.

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The Honorable James Inhofe, Bill Shuster, Barbara Boxer, and Peter DeFazio

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S. 2848 also includes \$70 million in immediate WIFIA funding, which will allow EPA to begin issuing these low-interest loans on an expedited basis. Comprising one component of the bill's response to the water crisis in Flint, Michigan, the WIFIA funds would be available to facilitate lead abatement projects in Flint, as well as to other communities nationwide for their own projects that qualify for WIFIA assistance. Conservative estimates indicate this initial \$70 million investment could be leveraged into at least \$700 million worth of water infrastructure loans – a robust and needed boost to our nation's water infrastructure.

We do note, however, that \$20 million of the \$70 million WIFIA appropriation would be restricted for use only on projects that do not receive any supplemental financing through tax-exempt debt – effectively making nearly one-third of these WIFIA funds unavailable to many communities. We encourage you to remove this unnecessary restriction and ensure that none of these important WIFIA dollars go to waste.

In addition to the bill's WIFIA language, AMWA also supports several other programs approved as part of S. 2848 that will help communities proactively identify and address potential public health risks related to lead. These include Section 7107, authorizing new funding to help communities and low-income homeowners remove lead service lines, and Section 7111, which would help schools and child care centers test their water for signs of lead. We hope these programs remain part of the final WRDA legislation.

Again, AMWA appreciates your efforts to secure initial passage of S. 2848 and H.R. 5303, respectively, and we urge you to work quickly to enact a final WRDA bill with effective water infrastructure assistance before the end of the year.

Sincerely,



Diane VanDe Hei  
Chief Executive Officer