



Delta Counties Coalition

Contra Costa County · Sacramento County · San Joaquin County · Solano County · Yolo County

"Working together on water and Delta issues"

July 6, 2017

The Honorable Jeff Denham
United States House of Representatives
1730 Longworth House Office Building
Washington, DC 20515

Dear Congressman Denham:

The Delta Counties Coalition (DCC) writes to express our appreciation to you for introducing the New Water Act (H.R. 434). This year's record precipitation, following years of historic drought, highlights the urgent need to build additional water infrastructure to capture more water when it is available in the system. Your legislation would help accelerate non-federal investments in much needed water infrastructure by lowering the cost of borrowing and helping to attract other public and private investments in these important projects.

Specifically, the New Water Act would authorize the Bureau of Reclamation to provide non-federal entities with access to low-cost, long-term financing for much needed water infrastructure improvements, including surface water and groundwater storage projects, as well as other water management improvement projects. If the New Water Act were in place today, the program would provide water project sponsors with access to federally-backed loans that could cover up to 49 percent of total project costs, with a repayment period of up to 35 years at a rate of approximately 2.79 percent. In comparison to other municipal financing, the New Water Act could drive down annual debt service on monies borrowed by 20 to 25 percent or more.

The DCC was organized 10 years ago because of our concerns about what is now called the California WaterFix proposal, or the twin tunnels project. During consideration of California Proposition 1, the 2014 California Water Bond, we fought hard to secure language in the proposition that bars any water bond proceeds from being used to "pay the costs of the design, construction, operation, mitigation or maintenance of Delta conveyance facilities." As stated in the proposition, these "costs shall be the responsibility of the water agencies that benefit from the design, construction, operation, mitigation or maintenance of those facilities." The DCC respectfully requests that you include language consistent with the spirit of the provisions of Proposition 1 to ensure that federally supported financing assistance under H.R. 434 would not be available to support the California WaterFix. Indeed, it is our understanding that export contractors have committed to paying the full cost of the project.

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While the DCC is unable to offer our unqualified support for H.R. 434 unless and until such language is included, we believe that the financing tools authorized in the legislation represent an important step forward in efforts to help make our region, State, and the West as a whole, more drought-resilient. Looking ahead, we would welcome the opportunity to work with you to develop language to ensure that the program created under the New Water Act could not be used to build the twin tunnels project.

Sincerely,



Don Nottoli
Supervisor, Sacramento County



Skip Thomson
Supervisor, Solano County



Karen Mitchoff
Supervisor, Contra Costa
County



Jim Provenza
Supervisor, Yolo County



Chuck Winn
Supervisor, San Joaquin County

cc: DCC Federal Delegation