



NCWA

Northern California Water Association

*To advance the economic, social and environmental sustainability of Northern California
by enhancing and preserving the water rights, supplies and water quality.*

February 4, 2016

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20515

Dear Senator Feinstein:

We commend you for your efforts to craft comprehensive drought legislation that would support innovative and significant federal assistance solutions to the water needs in California and elsewhere in the west. We look forward to continuing to work with you, Senator Boxer and our California House Congressional Delegation to secure passage and enactment of balanced federal legislation to help address our region and state's water supply-related needs.

Your legislation proposes significant, new federal assistance tools to help local agencies better manage and develop new water supplies critical to a more drought resilient economy. We particularly support and appreciate that your proposal includes:

- ***New funding and financing opportunities to support new surface water storage projects, like the Sites offstream reservoir project, one of five surface water projects authorized for investigation under the CALFED Program, as a non-federal water storage project***—We greatly appreciate your language authorizing the Bureau of Reclamation Infrastructure Finance and Innovation Act (RIFIA), which would provide local agencies with access to low-cost, long-term financing for much needed water infrastructure investments. If a RIFIA loan program were in place today, the program would provide water project sponsors with access to loans with a repayment period of up to 35 years at a rate of approximately 2.9 percent, driving down the cost of water from a project like the Sites Reservoir Project by as much as 23 percent.

We also support the provisions of your legislation that authorize the Bureau of Reclamation to participate in a non-traditional way in non-federal projects like Sites Reservoir. Under your proposal, Reclamation would be authorized to contribute up to 25 percent of total project costs in non-federal projects like Sites. Reclamation would be able to benefit from a project as a project partner, rather than being saddled with all aspects of a project's development and long-term operation and maintenance. In conjunction with RIFIA, this is the kind of new role the Bureau of Reclamation needs to assume to help accelerate investments in needed water infrastructure west-wide.

- ***Provisions to strengthen the federal commitment to California's system of water rights and priorities***—We strongly support Title IV of the draft legislation, which protects and preserves state granted water rights and priorities. Consistent with Title IV, we also thank you for including a specific reference to “applicable State water law” in the “Savings Clause” found in section 701 (a) (1), not just a general reference to applicable State law. The principle of federal deference to “State water law” has been imbedded in Federal law since at least 1902, and we appreciate that you agree it bears repeating here.

- ***The Pacific Flyway and actions to benefit refuges***—The Pacific Flyway is an important and integral part of the Sacramento Valley and we support the provisions in the bill that will protect water rights for ricelands and the actions to benefit the wildlife refuges in section 202.
- ***Additional assistance through the National Marine Fisheries Service to help promote the recovery of endangered Sacramento River salmon and steelhead populations***—We are working closely with federal and state agencies and conservation partners on a Sacramento Valley Salmon Recovery Program. The provisions in the bill will help advance the recovery of these listed salmonid species and it will have the added benefit of helping to reduce future pressures on available water supplies.

In sum, we strongly support Senate passage of your proposed legislation. We believe it represents an important step forward in the legislative process, one that will lead to enactment of legislation that will help make our region, California and the West more drought resilient.

Sincerely yours,

A handwritten signature in black ink, appearing to read "David J. Guy".

David J. Guy
President

cc: California Congressional Delegation