



# NORTH BAY WATER REUSE PROGRAM

*Water Supply Reliability through Regional Reuse*

February 3, 2016

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

Dear Senator Feinstein:

On behalf of the North Bay Water Reuse Authority (Authority), a regional partnership of 10 water management agencies and local governments in Marin, Napa, and Sonoma counties, I am writing to express the Authority's strong support for your drought relief legislation. The Authority thanks you for your efforts to provide meaningful solutions to all California's diverse water users and strongly supports the portfolio of opportunities for federal assistance found in your drought relief legislation.

We applaud your effort to authorize new federally-backed tools to help local agencies advance critically important water supply projects, including water reuse and recycling projects that can build more drought resilient water supply infrastructure across the West. Specifically, the members of the Authority enthusiastically support, the provisions of your legislation that seek to: (1) authorize the Reclamation Infrastructure Financing and Innovation Act (RIFIA), a new, innovative, federally-backed, low-interest, long-term loan program through the Bureau of Reclamation; (2) expand the WaterSMART program to allow the Bureau of Reclamation to use this highly successful program to provide a more robust level of competitive cost-shared partnerships for a wide range of water supply and water management projects, including small-scale storage, conveyance, and integrated regional water management and recycling; and (3) reform of the Bureau of Reclamation's Title XVI water recycling and reuse program to allow unauthorized Title XVI projects to compete for construction assistance under the program.

In combination, these new tools will significantly accelerate non-federal investments in much needed water supply infrastructure in California and west-wide.

RIFIA, in a similar manner to grants, offers great savings for non-federal agencies investing in new water infrastructure, and it does so with minimal impact on the federal budget.

**North Bay Water Reuse Authority • c/o Sonoma County Water Agency • 404 Airport Boulevard, Santa Rosa, CA 95403  
707-235-8965 • NBWRA.org**

Las Gallinas Valley Sanitary District • Napa County • Napa Sanitation District • North Marin Water District • City of Petaluma • Marin County  
Novato Sanitary District • Sonoma County Water Agency • Sonoma Valley County Sanitation District • Marin Municipal Water District

If RIFIA were in place today, the interest rate for water infrastructure loans would be approximately 2.75 percent. Based on current municipal bond rates (even for a local government that could secure AA rated municipal bond financing), RIFIA would generate just under 10 percent in annual savings over a 30-year repayment period, and just over 20 percent in annual debt service savings over the longer 35-year repayment period allowed under RIFIA.

RIFIA also offers the opportunity to cost-effectively leverage limited federal funds. The \$200 million in budget authority authorized in your legislation, for example, would support \$2 billion in federally-backed water infrastructure financing and over \$4 billion in new water infrastructure spending, with federal outlays (real federal spending) of approximately \$6 to \$8 million.

Again, we support your proposed legislation and believe it represents an important step forward that will provide significant federal assistance to help meet the future water needs of our region, the State of California and other western states.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Rabbitt', with a stylized, overlapping loop structure.

David Rabbitt, Sonoma County Second District Supervisor  
Chair, North Bay Water Reuse Authority

cc: California Congressional Delegation