



TO: Rebecca Long  
FROM: Eric Sapirstein  
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SUBJECT: Washington Update

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Following the collapse of White House discussions on infrastructure, a bipartisan group of twenty Senators announced an agreement on a framework to fund traditional infrastructure. However, it continues to be uncertain if enough votes exist in the Senate to move such an agreement that would be significantly less than the approach in the American Jobs Plan. At the same time, the House continued its march toward a July 4<sup>th</sup> deadline to vote on an infrastructure package. The House and Senate are continuing to develop fiscal year (FY) 2022 spending bills irrespective of the larger infrastructure effort with a dubious goal of finalizing spending by the October 1, 2021 deadline when the fiscal year 2022 begins.

The following summarizes the past month's activities in Washington.

***Infrastructure Negotiations Falter as House Prepares for July 4 Deadline on Infrastructure Policy***

Despite hopes that discussions between the White House and Senate Republicans would find common ground on infrastructure funding levels and taxes, the collapse of these discussions makes an ongoing bipartisan Senators' effort to develop a compromise the last best hope for an agreement. Absent success, it would appear highly likely that reconciliation will be the mechanism to move a bill through the Senate. Senate committees are drafting legislative language to fund infrastructure under a reconciliation measure, indicating that efforts to ensure passage by any means are taking shape.

In the House, passage of clean water, water recycling, clean energy, and drinking water authorizations have been developed with committee consideration completed for the most part.

For OC San, the key provisions of note in these bills (H.R. 1915, H.R. 3404, and H.R. 1848): \$40 billion for clean water state revolving loan fund (SRF), smart water technology adoption grants, workforce development grants, ratepayer assistance grants, grants to support correction of sanitary sewer overflows (SSO) and combined sewer overflows (CSO) needs, and water recycling grants assistance. Of special note, funding would be authorized to support clean water agencies develop and implement Per- and polyfluoroalkyl substances (PFAS) related pretreatment programs.

It is highly anticipated that these various water infrastructure bills will be combined into a larger infrastructure package and acted upon by the full House by July 4.

As noted earlier, the Senate approved its version of water infrastructure assistance (S. 914). This bill would be more limited in its funding levels compared with the House approach. S. 914 would provide \$16 billion for each of the clean water and drinking water SRFs and \$50 million Water Infrastructure Finance and Innovation Act (WIFIA) program assistance. Water recycling assistance would be authorized through U.S. Environmental Protection Agency (USEPA), but at a much lower level compared to the House approach.

### ***Water Scarcity in the West Focus of House Hearing; OC San Lauded for Its Work on GWRS***

The House Committee on Natural Resources, Subcommittee on Water, Oceans and Wildlife, convened a hearing to review the challenges of the persistent drought and the value of alternative water supply projects to address the ongoing western states' drought conditions. The hearing can be viewed at:

[https://naturalresources.house.gov/hearings/remote-wow-oversight-hearing\\_may-25-2021](https://naturalresources.house.gov/hearings/remote-wow-oversight-hearing_may-25-2021)

During the hearing, testimony from Orange County Water District's (OCWD) General Manager noted that with the support OC San the Groundwater Replenishment System had proven to be vital to maintaining water supply for the region. In response to the testimony, Representatives Lowenthal and Levin each praised the foresight of OC San and OCWD to invest in technologies that support sustainable water supplies. In addition to these comments, Representative Lowenthal also highlighted his commitment to find solutions to plastic pollution and noted that the issue of nonflushable wipes disposal into clean water systems is a problem that he intends to address.

### ***Fiscal Year 2022 Appropriations***

The long-awaited FY 2022 budget request from the Administration was released on May 28. The transmittal of the \$6 trillion budget request to Congress has allowed the formal budget writing process to begin. Based upon the proposed request and comments from senior Committee on Appropriations members in both the House and Senate, it seems highly likely that robust funding for core water quality programs will be maintained in fiscal year 2022. This includes funding of beach water quality monitoring, SRF, WIFIA and water recycling programs. Additionally, it

should be noted that this funding activity could be increased dramatically should the infrastructure bill be enacted. By example, funding of the clean water SRF program is sought at \$1.8 billion. However, if the House clean water infrastructure provisions were to be enacted, annual spending would increase by \$6.2 billion to \$8 billion.

### ***Administration Appointments***

The Senate confirmed by a vote of 55-43 the nomination of Radhika Fox to be the Assistant Administrator for the Office of Water at USEPA. Fox will oversee a host of water quality programs in this role. This will involve addressing the vexing challenge of PFAS treatment and the regulation of PFAS discharges into clean water agencies. If Congress approves the USEPA grants program known as the Alternative Water Sources Act as part of an overall infrastructure program, Fox will also have management of this program that could support OC San's funding needs.

The president also notified the Senate that he intends to nominate Camille Touton to become the Commissioner of the U.S. Bureau of Reclamation (USBR). Touton who has worked for the key House clean water and water recycling committees is anticipated to make support of sustainable water supply project assistance, like water recycling, a priority once she is confirmed by the Senate and is sworn into office.

Tanya Trujillo to be Assistant Secretary of Water and Science for the Department of the Interior. The hearing revealed bipartisan support for the nomination. Trujillo once confirmed by the Senate will assume management of Interior programs impacting water supply and natural resources programs, including those programs under the U.S. Bureau of Reclamation. The President also announced his intention to nominate Mike Connor to become the Assistant Secretary for Civil Works at the U.S. Army Corps of Engineers (USACE). Connor is expected to be confirmed by the Senate. Connor, who served as USBR Commissioner and then Deputy Secretary of the Department of the Interior, is expected to focus on ways to improve coordination between USACE and USBR to improve water supply reliability.