



# Information Alert

*State-Federal Relations Division*

## **2018 Water Resource Development Act Advances in Both Chambers**

May 24, 2018

Both the House Transportation and Infrastructure Committee and the Senate Environment and Public Works Committee unanimously approved their versions of the 2018 Water Resources Development Act (WRDA). WRDA plays a key role in protecting, maintaining and further developing our nation's water infrastructure systems including, ports, waterways, and clean and safe drinking water. It provides states with added stability and certainty to meet water infrastructure needs while also supporting the safety, environmental protection and economic development of communities across the nation. WRDA not only provides the U.S. Army Corps of Engineers (the Corps) with its authorization to address and maintain America's water infrastructure, including its ports, dam and flood resistance efforts, but also has historically provided funding and financing opportunities to states undertaking vital water infrastructure projects.

NCSL sent letters earlier this month to both the [House](#) and [Senate](#), regarding our priorities, provisions we supported and areas of concern in a 2018 WRDA. House Transportation Committee Chairman Bill Shuster (R-Penn.) said he expects the bill to come to the floor the first week of June although it is currently unclear when the Senate bill will come up for a vote by the full chamber. If you have any questions on the bills, or NCSL's positions, see below, or contact NCSL staff, [Kristen Hildreth](#) or [Ben Husch](#).

### **[Senate - Americas Water Infrastructure Act of 2018 \(S.2800\)](#)**

The scope of the Senate bill expands beyond simply authorizing the Corps to complete port, harbor and waterway infrastructure projects to include a number of significant provisions related to water infrastructure project authorization as well as the funding and financing of various water infrastructure programs. Specifically, one component of the Senate bill includes an expansion of activities under the Safe Drinking Water Act-State Revolving Loan Fund (SRF) provisions. The provision would authorize states to use up to 10 percent of their Drinking Water SRF capitalization grants to implement water source protection plans. The bill also includes a

provision pushing the Corps to complete project feasibility studies within two years, and require several studies on the Water Infrastructure Finance and Innovation Act (WIFIA), including a study to be conducted by the Government Accountability Office to assess how the law could be better utilized in rural and small communities.

Another section of the bill focuses on groundwater and well water testing and treatment program in disadvantaged communities, or those with populations under 100,000, where there is contamination in the drinking water supply. The bill also requires the Environmental Protection Agency (EPA) to establish a voluntary storm water infrastructure funding task force made up of various stakeholders to develop recommendations to Congress aimed at improving the funding and financing of storm water infrastructure.

One contentious item included in the Senate bill is a modified version of the [Securing Required Funding for Water Infrastructure Now Act](#), or the “SRF WIN Act.” The Act authorizes \$100 million annually over two years to support SRF projects and allows state infrastructure authorities to utilize financing available through WIFIA and SRF to increase funding for multiple water infrastructure projects at the same time. Through the extension of WIFIA lending terms to SRF projects, states are given the option to offer SRF loans with U.S. Treasury interest rates for priority projects. By doing so, smaller rural communities may be able to leverage WIFIA funding to complete certain water infrastructure projects, while states would be allowed to fund water infrastructure projects that are construction-ready, but lack funding. It is important to note that funding will not be available for the program if Congress fails to fully fund SRF or WIFIA at fiscal year (FY) 2018 levels or higher. Some industry organizations [oppose](#) the bill because they believe it could threaten the future of WIFIA and unnecessarily codifying what states can [already](#) do—Indiana for example, sought a FY 2017 WIFIA loan to fund multiple projects listed on its SRF intended use plans.

### **House - Water Resources Development Act of 2018 (H.R. 8)**

The House bill focuses much less on water infrastructure funding and financing, and more on the Corps and project authorization. It also would require one report on the Corps’ methods and budget for water infrastructure efforts, and a separate report examining the effects of moving the Corps’ civil work out of the Department of Defense and into a new entity, or another agency.

Finally, unlike the Senate bill, the House bill also includes a provision making full use of funds from the Harbor Maintenance Trust Fund (HMTF) for harbor maintenance purposes beginning in FY 2029. NCSL has long urged this position as the HMTF is a critical tool to help address our nation’s ports and harbor infrastructure, and the accumulation of harbor tax receipts at the federal level is a break in faith from the purpose of the Harbor Maintenance Tax (HMT).

As noted above, there are significant differences between the two chambers’ versions. However, both versions include language, although not identical, fostering increased collaboration between the Corps and non-federal stakeholders. The Senate bill orders a study on how the Corps can improve transparency to work with intergovernmental stakeholders, while the House text directs the Corps ensure non-federal interests are not only informed of the annual Report to Congress on

Future Water Resources Development process, but also that they are engaged when finalizing implementation guidance for water resources development laws.

### **Resources**

S.2800

- [Bill Text](#)
- [Section-by-Section](#)
- [May 22 - Markup of S. 2008](#)

H.R. 8

- [Bill Text](#)
- [Section-by-Section](#)
- [May 23 – Markup of H.R. 8](#)