

# WATER INFRASTRUCTURE FUNDING

---

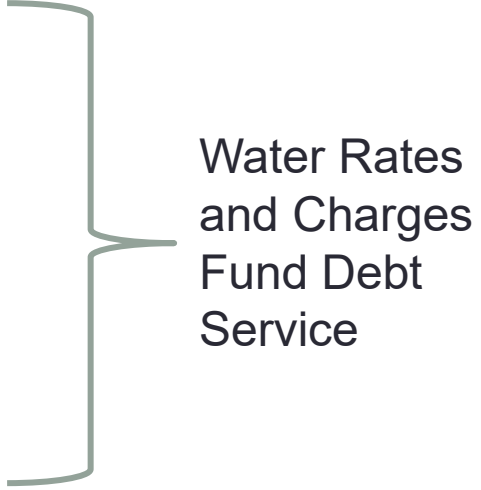
Urban Water Institute

February 17, 2022

# The “Alchemy” of Infrastructure Funding

- Financing vs. Funding
  - Financing = debt that needs to be paid back
  - Funding = money used to repay financing
- Examples of Major Infrastructure in California:
  - **State Water Project** – State Financed - Water Contractor Funded
  - **Central Valley Project** – Federally Financed – repayment contracts with water districts, power revenues helped fund
  - **Hoover Dam** – Federally Financed - Power User Funded
  - **Colorado River Aqueduct, Diamond Valley Lake, Five Large Treatment Plants** – Metropolitan Financed - Water User and Property Owner Funded
  - **Los Angeles Aqueduct** – LADWP Financed and Water User Funded

# Infrastructure Financing and Funding Today

- “Other People’s Money”
    - **Federal Grants** – Title XVI, Bipartisan Infrastructure Bill, WIIN Act
    - **State Grants** – 2021/22 Budget (e.g., conveyance funding, drought resiliency), SRF “Principal Forgiveness”
  - Capital Markets (Municipal Bond Market)
  - Private Equity
  - Low Interest Government Loans
    - **State Revolving Fund Loans**
    - **WIFIA Loans**
    - **FDA Loans**
- 
- Water Rates  
and Charges  
Fund Debt  
Service

# Infrastructure Funding Other Than Water Rates and Charges

- State taxpayers – General Fund support
- Federal taxpayers – Infrastructure Bill, Reclamation Grants, etc.
- Other beneficiaries (e.g., recreation, flood control, environmental, housing sector, etc.)
- Groundwater Sustainability Agencies (e.g., support for Friant Kern Canal subsidence correction)
- *But – expect the majority of water infrastructure to be funded from water users*