

# San Bernardino-Yucaipa Valleys Regional Water Infrastructure Projects Invited to Apply for up to \$177 million in Federal Funding

## **WATERSHED CONNECT** Will Bring Together Four Agencies and 20 Projects Over the Next Three Years

A new water infrastructure funding and delivery program for the region – called **WATERSHED CONNECT** – has been invited to apply for a Water Infrastructure Finance and Innovation Act (WIFIA) loan by the U.S. Environmental Protection Agency (EPA). **WATERSHED CONNECT** is one of 39 new projects in the nation invited by the EPA to apply for approximately \$6.7 billion in WIFIA loan funding.

**WATERSHED CONNECT** is a multiphase program consisting of interconnected water capture, recharge, storage, treatment, and conveyance projects. Through WIFIA, the regional program can apply for \$177 million in low-interest federal loans to partially fund a \$320 million infrastructure investment in regional water supply reliability. **WATERSHED CONNECT** is administered by a newly formed Joint Powers Authority (JPA) called the Upper Santa Ana River Watershed Infrastructure Financing Authority (Upper SAR WIFA), currently comprised of four (4) agencies: San Bernardino Municipal Water Department, San Bernardino Valley Water Conservation District, San Bernardino Valley Municipal Water District, and the Yucaipa Valley Water District.

*“The San Bernardino Valley benefits from a long-term, collaborative approach to investing in water infrastructure,”* commented Miguel Guerrero, General Manager of the San Bernardino Municipal Water Department, and a director on the JPA Board. *“Bringing together regional partners to plan for the next 50 years ensures we are investing in the right resources at the right time. An invitation to apply for a WIFIA loan is an important step in the right direction in terms of regional water supply reliability.”*

The **WATERSHED CONNECT** program model evolved out of a need for a more interconnected and coordinated system of water infrastructure in a region that sees, on average, less than 15 inches of rain per year. Through integrated planning efforts and extensive collaboration, the partner agencies determined that there is a need, and a generational opportunity to invest in water infrastructure now that will ensure reliable supply for decades to come. The partners intend to construct water infrastructure projects that can capture over 38,000-acre feet per year of stormwater runoff, produce and distribute over 25,000 AFY of recycled water for groundwater recharge, restore and protect hundreds of acres of native habitat and open space, and generate over 1,300 kW of renewable energy across the Upper Santa Ana River Watershed, which spans approximately 850 square miles. The additional water supplies created through these projects can provide for 60,000 or more homes each year, thereby supporting jobs, housing, economic growth, and quality of life, among other benefits.

*“The **WATERSHED CONNECT** program was created by agencies interested in the implementation of multi-generational infrastructure projects that will provide regional solutions to our water resource challenges,”* said General Manager Joseph Zoba of the Yucaipa Valley Water District. *“We are excited to receive financial support from the US EPA that recognizes our regional coordination.”*

The Upper SAR WIFA and **WATERSHED CONNECT** were developed in the Summer of 2021 and came together in approximately 10 weeks when the EPA announced a new round of funding would be available. While agencies often spend a year or more preparing to apply for EPA WIFIA funding, **WATERSHED CONNECT** came together quickly as all partners recognized the value of collaboration to maximize benefit.



With drought always on the horizon in Southern California, **WATERSHED CONNECT** is expected to expand to eventually include nine (9) or more partners in both San Bernardino and Riverside Counties, thus expanding the programs sphere of influence to impact even more customers.

*“It’s one thing to have a vision of building a project portfolio that provides water supply reliability in the long term; it’s another thing to secure funding to construct these projects. That’s where the EPA WIFIA funding becomes so important – it provides low-cost financing with favorable payback terms and flexibility,”* commented Paul Kielhold, Chair of the newly formed JPA and President of the San Bernardino Valley Municipal Water District. *“This type of loan program allows us to think beyond ‘project-by-project’ to a more comprehensive system of water infrastructure.”*

**WATERSHED CONNECT** was championed by Congressman Pete Aguilar (CA-31), a Member of the House Committee on Appropriations. Mr. Aguilar developed a bipartisan letter of support signed by Congressman Raul Ruiz (CA-36), Congressman Mark Takano (CA-41), Congresswoman Norma Torres (CA-35), Congressman Ken Calvert (CA-42), and Congressman Jay Obernolte (CA-8). Along with this Congressional letter of support, the project received 37 additional letters of support from a diverse group of stakeholders, ranging from unions to environmental advocates to local business and development interests.

*“Inland Empire residents and small businesses depend on quality water management to meet their basic, daily water needs. That’s why I’m proud to have helped secure this water infrastructure funding to address our region’s water supply needs. As our region continues to deal with severe droughts, it’s more important than ever to improve the management of our shared water resources,”* stated Congressman Aguilar.

*“The fact that we were able to generate so much support throughout the region in such a short period of time tells us that this program is the right approach. The founding agencies of this program came together to develop a regional approach to paying for and building our local water projects - as opposed to each agency dealing with these challenges one-by-one. We believe that everyone is stronger and more competitive for funding opportunities if we work together as a region. We envision that this is just the beginning,”* said Heather Dyer, CEO/General Manager of the San Bernardino Valley Municipal Water District. *“Our goal is for the Watershed Connect program and our Water Infrastructure Financing Authority to serve as a long-term mechanism to secure water project funding well into the future. The water agencies know what needs to be built to provide a secure and reliable local water supply for the next 50 years. We’ve done the planning and designed the projects – now we are working on the smartest and most advantageous way to pay for them. **WATERSHED CONNECT** creates new opportunities for collaboration at a regional, state, and national level. We’re excited to see where this program takes us,”* she added.

### **Background on WATERSHED CONNECT**

**WATERSHED CONNECT** is a regional water infrastructure program, a network of forward-looking projects designed to achieve water supply reliability, climate resilience, and long-term ecological health of the Upper Santa Ana River (Upper SAR) Watershed. **WATERSHED CONNECT** is a multiphase program comprised of interconnected water capture, recharge, storage, treatment, and conveyance projects. This comprehensive package of infrastructure projects will collectively maximize the use and reuse of local water resources, while attaining a healthy, functional river ecosystem that supports 22 federally and state-protected species. **WATERSHED CONNECT**’s innovative approach maximizes program value and offers synergistic benefits to the watershed and its people.