**NWSA Survey on Water Supply Policy Focus**

At NWSA’s 2021 Annual Meeting, we discussed plans to prioritize a range of policy issues and then develop NWSA positions to be presented at NWSA’s spring meeting. Ultimately, this effort will result in specific tactics to achieve our desired policy outcomes. This survey is intended to identify critical policy issues, gather member experiences, and formulate NWSA policy positions.

Various policy issues are presented below with a brief description. Please complete this survey by February 11, 2022, to provide your feedback on the issues identified so far. At the very end of the survey, please rank your top three issues to help us prioritize our efforts.

We will form subcommittees that will meet virtually a couple of times between now and the spring meeting in April to develop draft positions on the highest priority issues.

Issue 1 – Establish a standard procedure for determining benefits foregone for Hydropower

Hydropower customer organizations (SeFPC in the Southeast and SPRA in the Southwest) generally oppose reallocations for water supply. One common refrain is that hydropower customers contribute substantial funds to refurbish hydropower facilities at federal reservoirs, and they are entitled to the benefit of these investments, which will be diminished if storage is reallocated. In some cases, contributed funds are even being used to “uprate” hydro plants, substantially increasing the “hydropower benefits forgone” (and thus the price) when conservation storage is reallocated to water supply. Section 216 of WRDA 1996 (33 U.S.C. § 2321a) authorizes the Corps to accept contributed funds to uprate existing plants, but this authority is subject to statutory conditions similar to the Water Supply Act of 1958: e.g., the Secretary must determine that the project will not require any major structural or operational change. The procedures used to make these determinations are not transparent, however, and water supply interests are not generally given an opportunity to comment.

* Does your organization have experience with this issue you would be willing to share? (Y/N)
* Are you willing to serve on a subcommittee to develop NWSA’s positions on this issue? (Y/N)

Issue 2 –Establish standards and procedures for coordinating reallocation studies with dam safety repairs (permanent or interim repairs).

Corps policy (ER 1110-2-1156) prohibits reallocating storage from the flood pool for water supply at reservoirs with a Dam Safety Action Classification (DSAC) of 1, 2, or 3, with DSAC 1 being the highest urgency risk of 5 overall ratings. Because the DSAC rating is based on the risk multiplied by the consequence of a failure, many sound structures have a DSAC rating of 1 - 3 based on “consequence” alone (i.e., loss of life, property damage). The challenge for water supply providers interested in pursuing a reallocation is that the flow of funding for dam safety fixes is such that the Corps has instituted a prioritization for addressing the fixes. Under the ER, the highest risk dams will be addressed first. Thus, based on limited funding, dams with a DSAC rating of 3 (moderate urgency) could sit in the queue for years or decades before a fix is implemented. As a result, any reservoir where the DSAC rating is 3 could not be considered for a reallocation for many years, if ever.

Another issue is the DSAC rating process itself. The process is highly confidential for *bona fide* security reasons. NWSA might want to explore ways to ensure greater transparency without comprising legitimate security concerns. For example, it would be helpful to understand if the DSAC ratings are developed based on site inspections or desktop reviews.

NWSA might want to explore these and other issues related to the DSAC classification.

* Does your organization have experience with this issue you would be willing to share? (Y/N)
* Are you willing to serve on a subcommittee to develop NWSA’s positions on this issue? (Y/N)

Issue 3 –Establish procedures for OMRRR billing and for developing more useful 5-year OMRRR expense forecasts. While there has been some WRDA-related activity on this topic, issues related to how water supply interests are charged and billed for Operations and Maintenance (O&M) and Repairs, Replacement, and Rehabilitation (RR&R) remain. These issues include failure to receive 5-year forecasts of expenses as required under WRDA 2014 (section 1046b), unclear bills with little detail, failure of the Corps to provide supporting documentation, charges improperly allocated to water supply purpose, and large RR&R bills with little notice or ability to repay over multiple years.

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Issue 4 –Establish USACE policy on sediment management. As Corps reservoirs age, sedimentation and siltation reduces available storage. The Corps has not been implementing a sediment management program at its reservoirs. Understanding sedimentation rates and where it is deposited, as well as strategies to mitigate sedimentation, are critical to extending the life of reservoir storage. Furthermore, when a water supply interest wants to dredge a reservoir, the Corps policy, cost-sharing, and impacts to storage accounts are unclear and have generally been unfavorable to water supply interests.

* Does your organization have experience with this issue you would be willing to share? (Y/N)
* Are you willing to serve on a subcommittee to develop NWSA’s positions on this issue? (Y/N)

Issue 5 – Streamline the process for obtaining easements and construction approval for water supply intakes and pipelines. Even when water supply interests have already received a reallocation and have a water supply storage contract, the regulatory process under Section 404, Section 408, and NEPA for new, expanded, or relocated water intakes and pipelines are overly complex and often involve unnecessary reconsideration of issues addressed in the reallocation process, which increases costs, delays, and uncertainty in completing these intakes and pipelines.

* Does your organization have experience with this issue you would be willing to share? (Y/N)
* Are you willing to serve on a subcommittee to develop NWSA’s positions on this issue? (Y/N)

Issue 6 – Streamline 404 permitting of state and local reservoirs. The Corps’ 404 permitting process for building new and expanded state and local reservoirs often involves circular and repetitive evaluations and reevaluations under NEPA of a wide range of issues that unnecessarily increase costs and cause delays. The 404 permitting process sometimes overlaps and confuses the proper and primary role of states in managing water supply planning and water rights.

* Does your organization have experience with this issue you would be willing to share? (Y/N)

Are you willing to serve on a subcommittee to develop NWSA’s positions on this issue? (Y/N)

Issue 7 - Increase focus on and visibility of water supply at Corps reservoirs. Section 221 of WRDA 2020 requires the Secretary of the Army to submit a report that analyzes the benefits and consequences of including water supply and water conservation as a primary mission of the Corps of Engineers in carrying out water resources development projects. NWSA has historically advocated for a stronger voice on water supply storage policy at Corps projects. As the Corps develops its report, NWSA calls on the Corps to fully engage with water supply providers on the pros and cons of designating water supply as a primary mission of the agency. Such a designation should consider the impacts to not only Corps authorities and processes, but also the impacts to water supply providers’ ability to plan for and secure storage at Corps reservoirs.

* Does your organization have experience with this issue you would be willing to share? (Y/N)
* Are you willing to serve on a subcommittee to develop NWSA’s positions on this issue? (Y/N)

Issue 8 - Establish USACE policy on return flows. NWSA supports a policy whereby USACE defers to states in how to allocate return flows from wastewater treatment plants and other made inflows from upstream reservoir. The name, type, and allocation of these and similar water rights vary from state to state, but in all cases USACE should defer to the state’s primacy over these allocations. In some USACE Districts, USACE creates its own allocation policy for these water rights and does not defer to states. NWSA should directly engage the Corps to understand the issues that affect a determination on return flows credit and work in partnership to develop a definitive policy on this issue.

* Does your organization have experience with this issue you would be willing to share? (Y/N)
* Are you willing to serve on a subcommittee to develop NWSA’s positions on this issue? (Y/N)

Issue 9 - Develop new procedures for establishing the cost of storage. The pricing of storage for a reallocation can be prohibitive and could be viewed as economically unjustified. Under current Corps policy, the cost of storage is based on the highest value of revenue or benefits foregone, replacement cost, or the updated cost of storage. Typically, the highest value is the updated cost of storage, regardless of the remaining useful life of the project, condition of the project, or accumulated deferred maintenance.

* Does your organization have experience with this issue you would be willing to share? (Y/N)
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Issue 10 - Other issues. Does your organization have any other water supply policy issues that should be considered by NWSA (e.g., seasonal operations, FIRO, USACE Climate Plan).

**Please prioritize the issues above**

Priority 1 Issue #

Priority 2 Issue #

Priority 3 Issue #

Submitted by: [Name]

[Organization]

[Email address]