

Federal Affairs Report: Incline Village General Improvement District

February 2023

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Marcus G. Faust, P.C. (MGFPC) has continuously worked to advocate and advance Incline General Improvement District's federal project priorities, which are at a critical and timely stage, as follows:

- To date, millions of dollars has come to IVGID specifically for the Effluent Export Pipeline project¹, and now the Effluent Pond Lining Project, through the U.S. Army Corps of Engineers (Army Corps) Section 595 Rural Western Water Program (595 Program), which provides funding to Nevada and 6 other western states.²
- In 2016, MGFPC worked with Congress to enact project selection criteria (Section 1186, WIIN Act 2016) to shape the way the 595 program was managed to prioritize IVGID's projects, which were ready to perform absent federal funding
- Building on its successful history, IVGID has been working to execute a project partnership agreement for the Effluent Pond Lining Project with the Army Corps and our firm has been helping in the process
 - We worked with the Nevada Delegation to encourage USACE to allocate federal funding for the Pond Lining Project from 595 Program funds that were already appropriated for other projects that couldn't perform or where funds remained unspent
 - From that process, the USACE secured \$2 million to contribute to the costs of the Effluent Pond Lining project
 - In the past year, we arranged and attended multiple meetings with Roberta Tassey, Civil Works Senior Project Manager at the USACE over the Section 595 program
 - Our January meeting confirmed the federal share of ~\$5.7 million is available now
 - With funds in hand, the Project Partnership Agreement is in a final 2-month review process
- At the end of 2021, we learned of a major barrier to funding the Effluent Export Pipeline project—the Section 595 program reached its authorized spending cap (\$435 million)
 - When that happens programs are unable to absorb *new* appropriated federal funding
 - This would include the \$11 billion in construction funds the Army Corps received as part of the Infrastructure Investment and Jobs Act or whatever funding Congress provides in its federal budget.
- To resolve this, MGFPC crafted an amendment to the 595 Program that would ensure federal funding could continue for projects like the Effluent Export Pipeline as follows:
 - MGFPC worked with Nevada House members (Lee, Amodei, Titus) and Senate members to garner bipartisan support to increase the authorized spending cap for the 595 Program

¹ 2006-2013 Segment 1,3-South, 3-North, 1-5, Sand Harbor, Spooner Pump, Phase II engineering – Total \$20M (USACE Share \$15,446,250)

² Congress combined the Section 595 Rural Nevada program into one big pot in WRRDA 2014 (Section 4008) with other states Wyoming, Idaho, Montana, New Mexico, and Utah (Arizona was added in 2020) - the program was renamed the Section 595 Rural Western Water Program and capped at \$435 million

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- The House WRDA bill increased the spending cap by an additional \$365 million bringing the program total to \$800 million; the Senate bill increased the cap by \$50 million
- In December, Congress enacted the Water Resources Development Act legislation as part of the James M. Inhofe National Defense Authorization Act and the final version included this provision to increase the 595 Program spending cap to \$800 million
- This means that the 595 Program now has enough authorized spending room to sustain larger projects like the Effluent Export Pipeline and it can absorb real dollars as allocated by Congress or within the Army Corps
 - Congress is about to start the FY 24 process and our priority will be to seek additional funding for the 595 Western Rural Water program to the benefit of IVGID
- MGFPC also sought other opportunities outside of the Army Corps programs to provide funding for IVGID's projects through the Fiscal Year 2023 Congressional Appropriations process
 - \$1.6 million for the Effluent Export Pipeline was provided in the FY23 Omnibus Appropriations Act
 - Funding came through the Environmental Protection Agency Clean Water SRF program
 - Funds available for use now – 20% local match
 - \$10 million for water infrastructure upgrades for fire protection through the Lake Tahoe Restoration Act
 - IVGID's Crystal Peak Road Watermain Replacement project and Slott Creek Waterline Improvements would be eligible for this funding as governed by Tahoe Regional Planning Authority's Environmental Improvement Project (EIP) list

MGFPC advanced IVGID's other important regional federal priorities related to public recreation, hazardous fuels management, and ongoing investment in infrastructure around the Tahoe Basin.

This effort has been supported by the relationships that MGFPC has built on behalf of IVGID with the Nevada Congressional Delegation, U.S. Army Corps of Engineers, and U.S. Forest Service

- Advanced the *Incline Village Fire Protection Act* in Congress to transfer federal parcels to IVGID to enhance public recreation and fuels management in Incline Village
 - The bill was incorporated into HR 5243 Northern Nevada Economic Development, Conservation, and Military Modernization Act, which qualified for consideration in the *must pass* FY23 National Defense Authorization bill
 - HR 5243 was the Delegation's top priority going into the NDAA negotiations
 - Only those parts of the Northern lands package that survived had a direct nexus to the expansion of the Fallon Naval Air Station
 - The other bills in the package, including IVGID's legislation, were striped from the NDAA bill much to the objection of the Delegation.
 - The Incline Village Fire Protection Act will be reintroduced in the coming weeks
- As part of the Water Resources Development Act of 2022, Congress increased the spending limit of the Tahoe Basin Section 108 Program by \$25 million
 - This program has helped to fund stream restoration at Incline Creek and Third Creek in partnership with the Army Corps

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- MGFPC has supported advocacy efforts in Washington, D.C. for Tahoe Water for Fire Suppression Partnership of which IVGID is a member.
 - IVGID supported federal legislation to extend Lake Tahoe Restoration Act (LTRA) programs through 2034
 - LTRA programs fund public recreation, hazardous fuels projects, and water infrastructure projects that are important to IVGID
 - The bill will be reintroduced in the 118th Congress
 - IVGID jointly supported a federal funding request for Tahoe water infrastructure projects for fire suppression as authorized in the Lake Tahoe Restoration Act
 - As noted above, \$10 million was appropriated in the FY23 Omnibus Appropriations bill for this purpose
 - We continue to work within the partnership to advocate that the Federal Emergency Management Agency Hazard Mitigation program assistance make regional water infrastructure upgrades for fire protection an eligible use *before* a wildfire event happens; this would be another avenue for federal funding for water infrastructure if FEMA expands its programming.

This report also serves as the end of the calendar year report for 2022.

Term	Fees	Federal Grant Amount Received
2005/2006	\$50,000	\$6,952,500
2006/2007	\$50,000	\$3,412,500
2007/2008	\$56,649.96	\$900,000
2009	\$57,333.55	\$2,374,770
2010	\$56,800.98	\$1,168.742
2011	\$57,388.98	\$233,748
2012	\$57,128.33	\$2,835,311
2013	\$57,158.14	\$356,250
2014	\$57,431.00	
2015	\$56,649.96	
2016	\$57,181.04	\$240,000
2017	\$58,662.32	\$70,000
2018	\$57,718.99	\$46,000
2019	\$63,157.37	
2020	\$65,296.94	
2021	\$65,000.00	
2022	\$67,086.78	
TOTALS	\$990,644	\$17,422,248

For every dollar spent in Legislative Advocacy fees, we have received \$17.58 back in Federal funding.

2023: There is \$1,600,000 is coming for the Effluent Export Pipeline and \$204,000 STPUD Fire Suppression.