UNDERSTANDING POTENTIAL FEDERAL FUNDING FOR THE IWVGA PIPELINE

Here are the key facts residents should understand about the project's potential cost and the federal funding being pursued.

INDIAN WELLS VALLEY WATER DISTRICT

What could the pipeline actually cost?

Indian Wells Valley Water District's (District) economist experts estimates pipeline construction would exceed **$300 million**. This does not include the estimated **$50 million** or more to purchase water or the approximate **$10 million** annually to operate and maintain the pipeline.[1]

The cost estimate is important when evaluating how much federal funding is available to offset the project's total cost.

Do we know whether the Indian Wells Valley needs the pipeline?

Not yet. The ongoing groundwater adjudication should determine the basin's safe yield and what will ultimately be required to achieve sustainability.

Congressman Vince Fong has not supported the pipeline at this time and, according to our understanding, is awaiting greater consensus among local leaders and entities.

Is the federal government going to pay for the pipeline?

There is currently no federal commitment to pay for the pipeline. The IWVGA has discussed potentially receiving as much as $150 million in federal assistance, but that amount has not been secured.

Even if $150 million were ultimately received, a substantial gap would remain between federal assistance and the pipeline's estimated construction cost—before purchasing any water or paying annual operations and maintenance expenses.

What is WRDA, and does it provide $150 million?

The Water Resources Development Act (WRDA) can authorize projects to receive future federal funding, but Congress must separately appropriate those dollars.

The IWVGA has sought $50 million in WRDA authorization, not $150 million. The federal program involved already has hundreds of authorized funding requests representing billions of dollars, while annual appropriations are far smaller. Even if the $50 million is authorized, there is no guarantee that the full amount will ultimately be funded.

Who pays what federal funding doesn't cover?

That is an important question for Indian Wells Valley residents. IWVGA agreements involving farmers, Searles Valley Minerals, and small pumpers will impact who will pay for pipeline costs, potentially leaving local ratepayers responsible for a significant share of costs not covered by federal funding.

Whether Washington ultimately provides $5 million, $50 million, or more, the remaining unfunded "gap" between federal funding and the actual cost of constructing the pipeline still need to be paid,and Indian Wells Valley ratepayers will likely be responsible for that cost.

What are Senators Padilla and Schiff being asked to provide?

That $5 million is a request, funding has not been secured. The House version does not include pipeline funding, and the Senate appropriations process remains unresolved.

The District will continue to monitor the federal funding process and the on going groundwater adjudication and keep residents informed.

Learn more about the potential costs by reviewing the District's Pipeline Cost Analysis.

SOURCE: Cost Analysis: Proposed Imported Water Pipeline Project[1] • **Available on the District website under the Basin Adjudication/SGMA page.**