

WASHINGTON, D.C.—Today Representatives Xavier Becerra (CA-31), Vice Chair of the House Democratic Caucus, and Ginny Brown-Waite (FL-5) introduced the Clean Renewable Water Supply Bond Act of 2009 in the House of Representatives. The bill would authorize public water agencies to issue tax credit bonds to finance innovative new water supply technologies.

**“Fresh water has become an increasingly scarce and valuable resource in our time,”**

Rep. Becerra said.

**“The next generation technologies that will provide us new and renewable sources of clean water exist today, we just need to help our local water agencies invest in them. Our bill does just that, providing the tax credit bonds needed to finance the up-front costs of implementing new technology. The better we make use of innovative technologies to supplement our nation’s fresh water supplies, the more we will prosper now and in the future.”**

Reps. Becerra and Brown-Waite’s bill would authorize the use of tax credit bonds (Clean Renewable Water Supply bonds, or “CREWS”) to finance certain kinds of innovative water supply facilities. These facilities include water-recycling facilities, projects to clean up and use impaired groundwater, and both seawater and brackish groundwater desalination projects. The CREWS bonds would be issued by public water agencies in exactly the same way as those agencies can presently issue conventional tax-exempt municipal bonds.

“I commend Congressman Becerra for reaching across the aisle and producing a strong, bipartisan bill. I have always fought to protect Florida’s water—its most precious resource,” Rep. Brown-Waite said.

The proceeds from the sale of the bonds would result in an interest-free loan to the water agency. Instead of the agency having to make interest payments to the bondholders, as would be the case with conventional tax-exempt municipal bonds, the Federal government would provide the bondholders with a tax credit equal to what the interest payments would have been. Under the proposal, the agency would save over \$60 million in interest payments on a \$100 million water supply project, which is the type of subsidy necessary to offset the upfront capital expenditure.

“The challenges posed by drought, global climate change and population growth are increasing the pressure on water agencies to supply clean water to urban and rural communities, and the time to confront these challenges is now,” Rep. Becerra said.

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