America's Water Infrastructure is Essential to Our Nation's Future

As our nation turns the corner on the COVID-19 pandemic, the vital importance of providing communities with safe and reliable essential water services has never been more clear. Drinking and clean water utilities require a strong and consistent commitment from the federal government to ensure they have the tools and resources necessary to upgrade their infrastructure and make it more climate resilient, address emerging contaminants and increasingly complex water quality challenges, ensure greater equity and water affordability, and maintain a skilled workforce.

Estimated drinking water and wastewater need over 20 years to maintain current levels of service

$750 billion

Federal share of total investment in U.S. water and wastewater is

below 5%

1.7 million

U.S. workers are directly tied to water utility infrastructure[iii]

STRONG FEDERAL INVESTMENT

According to U.S. EPA estimates, the nation's drinking water and wastewater infrastructure will require nearly $750 billion over 20 years just to maintain current levels of service[i]. Significantly, the Congressional Budget Office finds that the federal share of total U.S. water and wastewater investment is currently below 5%[ii] — a much lower federal cost share than other vital infrastructure sectors.

Strengthening the federal partnership is essential to ensuring communities can provide vital drinking water, wastewater, stormwater and water recycling services without over-burdening ratepayers. Increased federal funding for water infrastructure will also help build climate resilience and boost the nation's economy by giving Americans skilled jobs and helping local communities prosper.

WHAT CAN CONGRESS DO?

First and foremost, we urge water to be a top priority in federal infrastructure investment discussions. The services water utilities and the water workforce provide are the very basis of public health, environmental protection, and economic development. As the nation emerges from the pandemic and turns toward economic recovery, water has a crucial role to play both in advancing public health and being a driver of economic and job opportunities.

[i] EPA's Drinking Water Infrastructure Needs Survey and Assessment (2018) and Clean Watersheds Needs Survey (2012)

[ii] Congressional Budget Office Public Spending on Transportation and Water Infrastructure, 1956 to 2017 (October 2018), https://www.cbo.gov/publication/54539

[iii] Brookings, Renewing the water workforce: Improving water infrastructure and creating a pipeline to opportunity, 2018 https://brook.gs/2HCBFdj

FY22 Priorities for the Water Sector —

While infrastructure investment negotiations advance, there are also important reauthorizations and FY22 Appropriations opportunities before Congress this year. FY22 Asks across the Water Sector Include:

- Reauthorize and provide increased funding for the Clean Water State Revolving Fund (CWSRF) program. The CWSRF is the main source of federal funding to clean water infrastructure. Since it was established in 1987 to replace the Clean Water Construction Grants program, it has provided more than $45 billion in federal capitalization grants which states have used to generate over $130 billion in clean water infrastructure projects nationally.

- Reauthorize and double funding for the Drinking Water State Revolving Fund (DWSRF). From its establishment in 1996 through mid-2019, the DWSRF has provided more than $41.1 billion to help cities and towns nationwide carry out more than 15,000 projects to upgrade drinking water infrastructure, reduce public health risks, improve water supply sources, and modernize drinking water treatment.

- Provide $1.6 billion in loans and $600 million in grants to the USDA Rural Development Water & Wastewater Loan and Grant Program by FY22. This program serves rural areas with populations of 10,000 or less.

- Reauthorize the Title XVI-WIIN Water Reclamation and Reuse Competitive Grants Program at $100 million per year, and appropriate at least $50 million in FY22. The program has been used to restore sensitive ecosystems, increase the supply of drinking water, generate sustainable irrigation water, and help industries create jobs. There are currently dozens of Title XVI-WIIN eligible projects awaiting assistance, with a total of more than $700 million in eligible federal cost-share.

- Reauthorize U.S. EPA's Pilot Program for Alternative Water Source Grants at $200 million per year. This program would provide communities across the country the tools they need to build climate resilience, improve water quality, and enhance supplies.

- Reauthorize and provide increased funding for the U.S. EPA Water Infrastructure Finance & Innovation Act (WIFIA) program. FY21 Appropriations provided $65 million for WIFIA to leverage into as much as $12.5 billion worth of loans and loan guarantees for major drinking water and wastewater infrastructure projects.

- Provide $20 million for the U.S. EPA National Priorities Water Research Grant Program in FY22. This grant program is the most important source of federal funding that directly supports extramural water research and technology development and deployment to help tackle our One Water research priorities.

- Establish a Federal Interagency Working Group on Water Reuse to coordinate actions across federal agencies and provide a more formal structure for engagement with external stakeholders. Both the Moving Forward Act of 2020 in the House and America's Water Investment Act of 2020 in the Senate included this language; however, legislation was not enacted before the year's end.

- Reauthorize at $400 million per year and fund the U.S. EPA Sewer Overflow and Stormwater Reuse Municipal ("Section 221") Grant program. This grant program received funding for the first time in FY20 and FY21 and targets a crucial void – federal grant dollars for clean water infrastructure – and we urge Congress to continue building this program in FY22.

- Provide $18 million for the U.S. EPA National Priorities Water Technical Assistance Program in FY22.

- Reauthorize and fund the Innovative Water Infrastructure Workforce Development Grants Program created in WRDA 2018 at $5 million per FY. This program can support workforce development efforts in utilities and communities nationwide.

- Hold polluters, and not water and wastewater ratepayers, responsible for the costs of remediating PFAS that have infiltrated the environment and sources of drinking water. Further, ensure that policies to analyze and regulate PFAS follow an evidence and risk-based assessment process, and that EPA moves as expeditiously as possible in making its regulatory determinations.

- Support clean and drinking water utility resiliency by reauthorizing and increasing funding for the U.S. EPA Drinking Water System Infrastructure Resilience and Sustainability Program, which was created in 2018 to help small and disadvantaged community water systems prepare for challenges related to climate change and extreme weather, expand program eligibility to include all drinking water systems nationwide, and establish a parallel program for wastewater systems.

- Address the water affordability crisis impacting households and utilities, including through federal water customer assistance. Congress provided funding in response to growing water bill arrearages for the first time ever in the Consolidated Appropriations Act, 2021 ($638 million) and the American Rescue Plan Act of 2021 ($500 million) — but the water affordability challenge is far greater and not limited to the pandemic.