



Infrastructure Bill: Types of Drinking Water & Wastewater Projects Supported

Presentation to the Metropolitan Washington Council of Governments
Chesapeake Bay Policy Committee
January 21, 2022

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Significant Policy and Funding Measures

- \$550 Billion in new spending
- \$15 Billion for Lead Service Line Removal
- Grants and Principal Forgiveness: 49% of funds
- Maximize Funding to Disadvantaged Communities; reducing matching funds requirements
- Model Low-Income Household Water Assistance Program (LIHWAP)
- The *Minority Business Development Act of 2021*; historic legislation making the Minority
- Buy American, Build American





IIJA Implementation

Executive Order on Implementation of the Infrastructure Investment and Jobs Act

Implementation Priorities.

- Investing public dollars efficiently, working to avoid waste, and focusing on measurable outcomes
- Increasing the competitiveness; including through implementing the Act's Made-in-America requirements
- Improving job opportunities for millions of Americans by focusing on high labor standards for these jobs
- Investing public dollars equitably, including through the Justice40 Initiative; 40 percent of the overall benefits from Federal investments in climate and clean energy flow to disadvantaged communities
- Building infrastructure that is resilient and that helps combat the crisis of climate change

Infrastructure Implementation Task Force. To coordinate effective implementation of the Infrastructure Investment and Jobs Act; Assistant to the President for Economic Policy and Director of the National Economic Council and White House Infrastructure Coordinator, serving as Co-Chairs of the Task Force. Also 11+ other members and sub-groups



IJA Implementation

Transportation*

Water



Shawn D. Wilson, Ph.D., *President*
Secretary, Louisiana Department of Transportation and Development
Jim Tymon, *Executive Director*

AASHTO IMPLEMENTATION OUTLINE FOR INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)

INTRODUCTION AND GOALS

On November 15, 2021, President Biden signed into law the Bipartisan Infrastructure Bill—formally known as the Infrastructure Investment and Jobs Act (IIJA)—that includes a five-year reauthorization of federal highway, highway safety, transit, and rail programs for fiscal years 2022 through 2026. The IIJA represents a historic investment in all forms of infrastructure, with \$567 billion in Highway Trust Fund and General Fund resources provided to the US Department of Transportation.

In order to immediately deliver on the public benefits of the IIJA and to advance AASHTO’s vision of “providing improved quality of life through leadership in transportation” as articulated in the [2021-2026 Strategic Plan](#), the AASHTO Transportation Policy Forum has established three overarching goals for the Association’s IIJA Implementation Plan which will be dual-tracked. Once developed, this Plan will be updated continuously as the IIJA implementation progresses.

Track One: By December 10, 2021

1. Briefly identify most urgent implementation priorities while the full IIJA Implementation Plan is developed.

Clean Water Current

NACWA, EPA Discuss Infrastructure Bill Implementation

January 6, 2022

NACWA held a virtual meeting January 6 with EPA Assistant Administrator for Water Radhika Fox and other senior EPA Office of Water staff to discuss implementation issues and distribution of funds from the recently passed bipartisan infrastructure legislation, also known as the *Infrastructure Investment and Jobs Act* (IIJA).

The meeting follows a [letter](#) that NACWA sent to EPA last month [outlining initial considerations](#) and concerns from the Association regarding implementation of the legislation. The bill provides \$55 billion in new federal water spending over the next five years, but also creates a series of new programs and requirements that EPA and the states will need to work through in distributing the funds.

Members of NACWA’s Board of Director’s Affordability Task Force participated on the call and provided important insights from the clean water sector perspective on how best to ensure the IIJA funds are effectively spent. Of particular concern to utilities and EPA is how to ensure funds are made available to low-income and disadvantaged communities that have not traditionally received federal water funding. There was good conversation during the meeting on this issue and EPA is interested in further thoughts from NACWA on how the concept of disadvantaged communities is defined.

Another area of discussion was how the 49% of IIJA funds allocated for grants will be distributed. EPA is also very focused on these funds going to traditionally underserved communities, and meeting participants engaged in good discussion on how to best ensure these dollars can fund projects that will have the most economic and

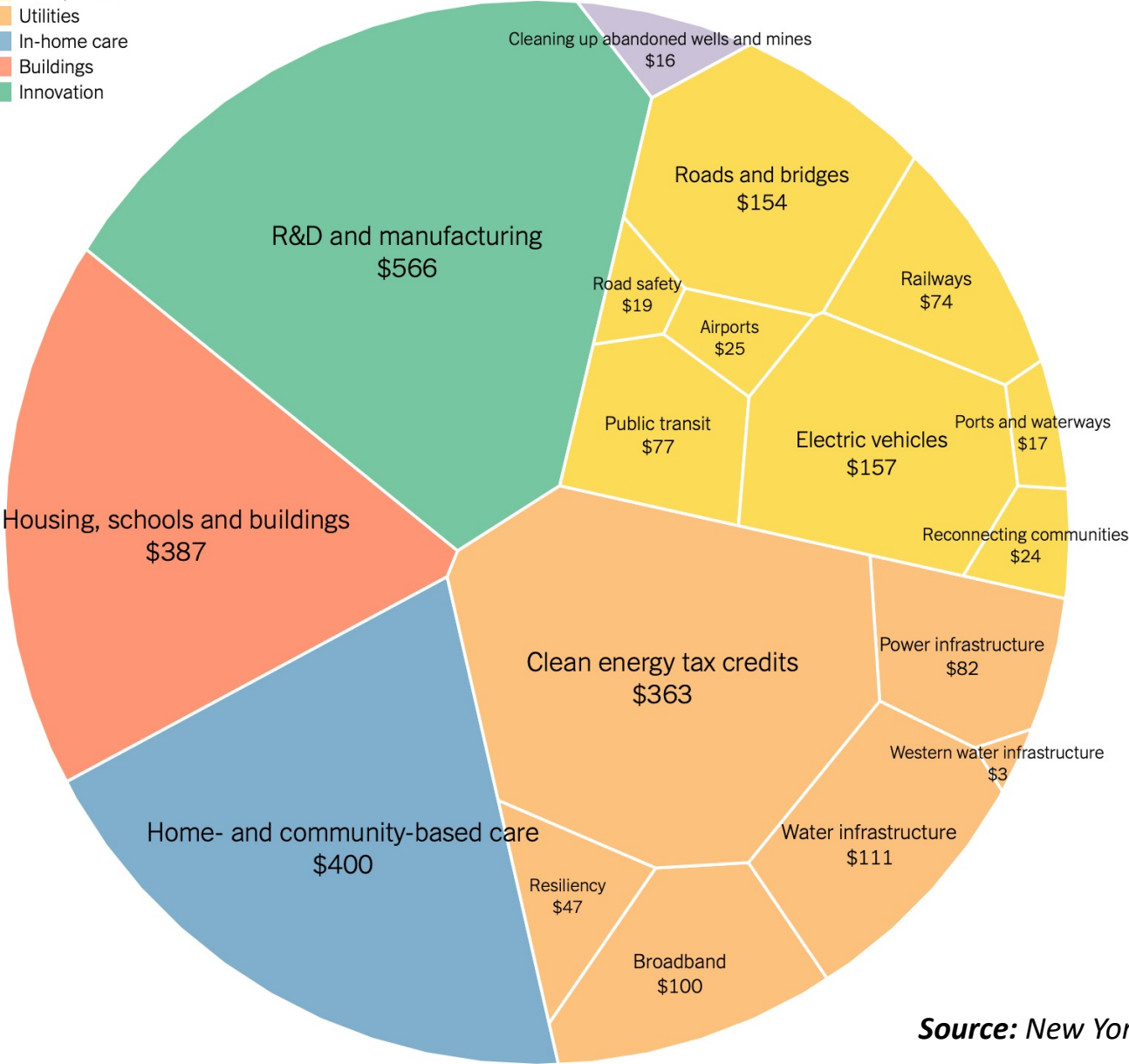
**AASHTO Implementation Outline is not necessarily representative of the Transportation Sector*

The Infrastructure Plan

Original proposal
\$2,600 billion

Bipartisan plan
\$550 billion

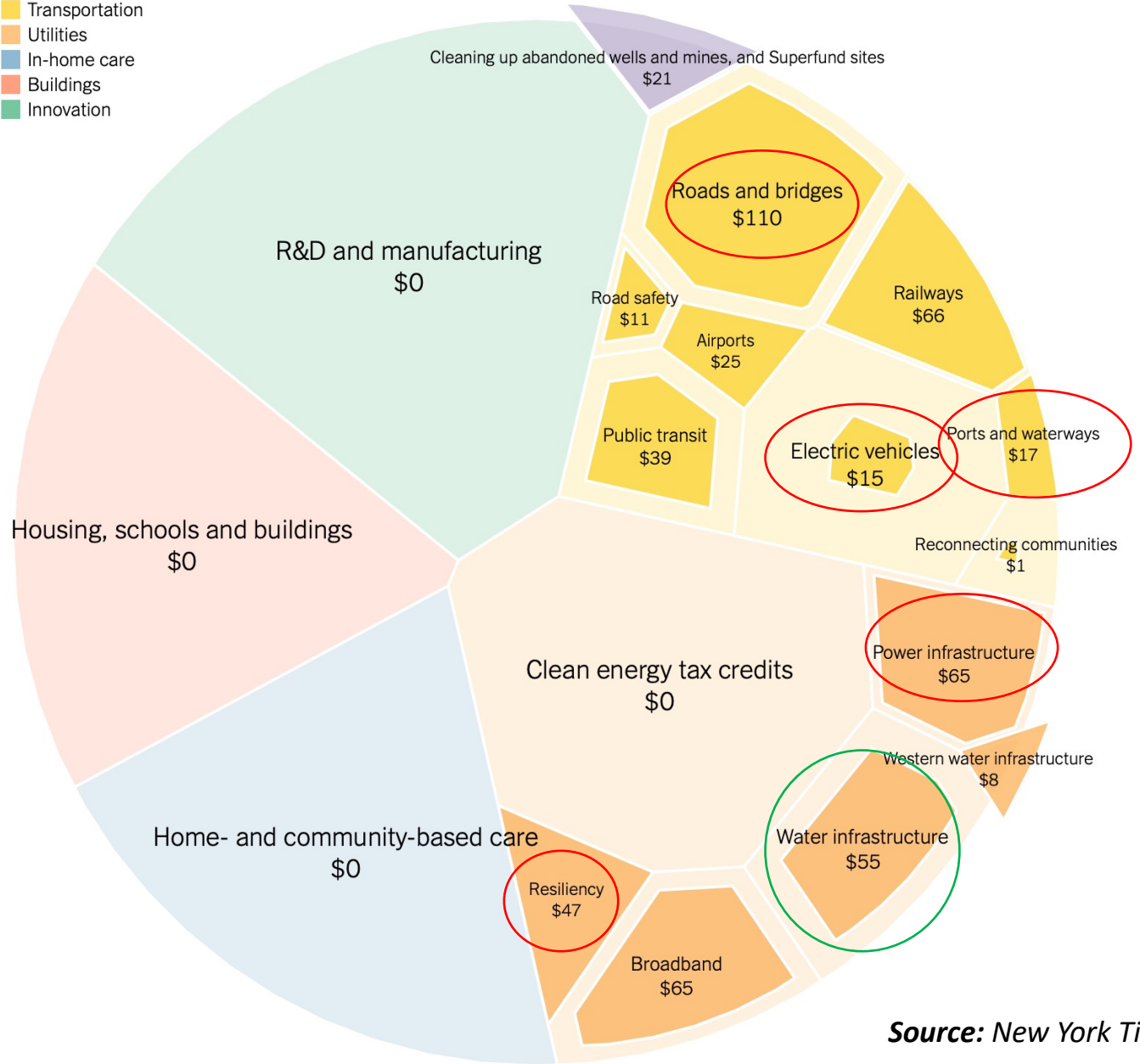
- Pollution
- Transportation
- Utilities
- In-home care
- Buildings
- Innovation



The Infrastructure Plan

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Infrastructure Investment and Jobs Act: \$55 Billion for Water

\$11.7B – Clean Water State Revolving Fund (CWSRF)

\$11.7B – Drinking Water State Revolving Fund (DWSRF)

\$15B – Lead (DWSRF)

\$5B – PFAS Grants (\$1B CWSRF and \$4B DWSRF)

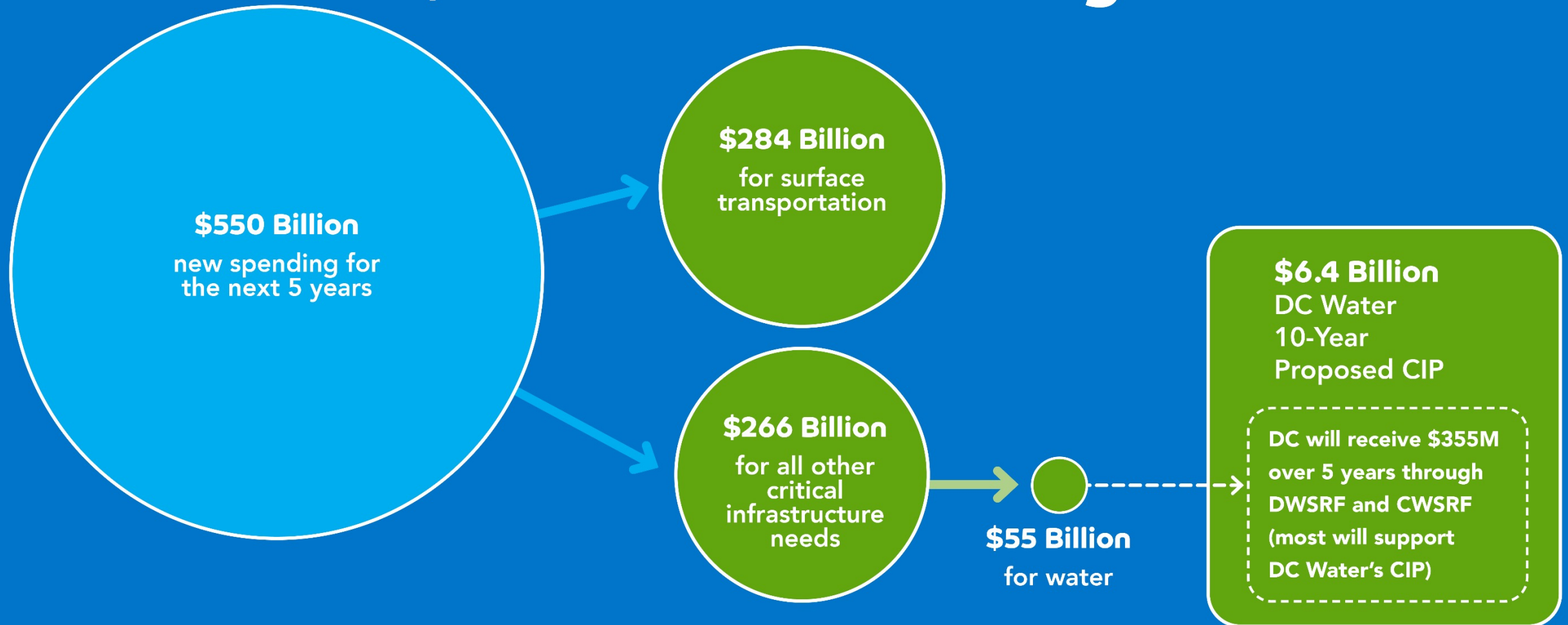
\$1.4B – EPA Sewer Overflow & Stormwater Reuse Municipal Grant Program

\$900M – Other Water Infrastructure provisions

\$7-8B – Assistance to small and disadvantaged communities, water recycling, Tribal needs, brownfields restoration, etc.

Infrastructure Investment and Jobs Act

\$1.2 Trillion over 10 years



Infrastructure Investment and Jobs Act Funding Alignment

President's Infrastructure Bill Priorities	Infrastructure Investment and Jobs Act (pre-Reconciliation)	DC Water's Proposed Projects/Program Areas
<p>\$15 billion in the EPA's DWSRF and Water Infrastructure Improvements for the Nation Act (WIIN) for lead service line replacement</p>	<ul style="list-style-type: none"> • \$15B Lead (DWSRF/WIIN) • CDBG Funding 	<ul style="list-style-type: none"> • Lead Free DC Program (Unfunded costs for LSLs, restoration and program management; limited water main replacement)
<p>Upgrade and modernize America's drinking water, wastewater, and stormwater systems, tackle new contaminants, and support clean water infrastructure</p>	<ul style="list-style-type: none"> • \$11.7B CWSRF • \$11.7B DWSRF • \$5B PFAS • \$1.4B Sewer Overflow/Stormwater Reuse Grants • \$900M Other water provisions • \$665M (ACOE) water-related environmental infrastructure assistance; Continuing Authorities Program (CAP) • \$110B Roads and Bridges (GI and Stormwater facilities) • \$1B - BRIC Program • \$3.5B FEMA • \$1B Cybersecurity Grant Program 	<ul style="list-style-type: none"> • DC Clean Rivers • Drinking Water: Water Distribution System (SDWM Replacement Program), Pumping and Storage • Blue Plains Wastewater Treatment • Sanitary Sewers: Collection system, Pumping Facilities • Stormwater Facilities • Washington Aqueduct CIP Projects • Alternative Water Supply (Travilah)
<p>Spur jobs modernizing power generation and delivering clean electricity</p>	<ul style="list-style-type: none"> • \$5B Electric Grid Reliability and Resilience • \$250M Rural and Municipal Utility Advanced Cybersecurity Grant/Technical Assistance Program • \$550M Energy Efficiency and Conservation Block Grant • \$7.5B Electric Vehicles • \$2.5B Charging and Refueling Grant Program • \$5B EV Charging Formula Program 	<ul style="list-style-type: none"> • Solar • Thermal Energy Recovery • Renewable Natural Gas





Infrastructure Investment and Jobs Act: Key Water Provisions

- **\$55 billion** for clean water and drinking water priorities over five years; key provisions include:
 - \$11.7 billion in direct mandatory appropriations for both the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF) each for a total of \$23.5 billion in new federal investment (\$2.4B/FY22; \$2.7B; \$3.0B; \$3.2B; \$3.2B)
 - 49% is required to be provided to communities in the form of 100 percent principal forgiveness/grants
 - SRF increases would be on top of annual additional baseline spending (currently \$1.639 billion) for the CWSRF that comes through the annual appropriations process
 - An additional \$1 billion through the CWSRF and \$4 billion through the DWSRF, (all in the form of grants) to address emerging contaminants including PFAS
 - \$15 billion through the DWSRF to address lead in drinking water
 - \$1.4 billion for EPA Sewer Overflow & Stormwater Reuse Municipal Grant Program; not less than 25% of the fund will go to rural and financially disadvantaged communities

Water Funding
expected to
result in
\$355M for DC
over the next
five years.



Other Provisions & Funding Opportunities

- **Water Infrastructure (over the next five years) - \$900 million**
- **Resiliency**
 - ACOE - \$200 million for water-related environmental infrastructure assistance
 - ACOE - \$465 million for Continuing Authorities Program (CAP)
 - Building Resilient Infrastructure and Communities (BRIC) Program - \$1 billion over five years
 - FEMA Flood Mitigation Assistance Program - \$3.5 billion over five years
 - State and Local Cybersecurity Grant Program - \$1 billion
- **Power Infrastructure (Energy) - \$65 billion**
 - Electric Grid Reliability and Resilience R&D and Demonstration - \$5 billion
 - Rural and Municipal Utility Advanced Cybersecurity Grant/Technical Assistance Program - \$250 million
 - Energy Efficiency and Conservation Block Grant - \$550 million
- **Electric Vehicles - \$7.5 billion**
 - Charging and Refueling Grant Program (\$2.5 billion)
 - EV Charging Formula Program (\$5 billion)
- **Community Development Block Grant**
 - Funding for lead service line replacement and private service lines with chronic leaks



Other Provisions & Funding Opportunities

- **Infrastructure Investment Provisions**

- Possible restoration of tax-exempt advance refundings
- Would allow issuers to re-finance debt at lower interest rates on a tax-exempt basis
- Direct Pay Credit Bonds (like previous Build America Bonds)
- Interest subsidy

- **Customer Assistance Programs**

- Rural and Low-Income Water Assistance Pilot Program will be established as a new U.S. Environmental Protection Agency program to provide 40 grants per year to utilities to assist low-income ratepayers