



**December 3, 2021**

## **Bipartisan Infrastructure Law: Summary of 2022 Environmental Protection Agency State Revolving Funds (SRFs) by States, Tribes, and Territories**

EPA Administrator just put out a letter yesterday ([here](#)) to all states laying the groundwork for next steps with BIF funding for specific programs. Assistant Administrator Radhika Fox (formerly of the US Water Alliance, a CWCC partner) will soon be issuing national program guidance from the EPA's Office of Water to state primacy agencies for the use of water infrastructure funding through the BIL. In this letter from EPA they shared a first glimpse of what the EPA expects moving forward.

Enclosed in this letter is estimated 2022 state allotments of BIF funds through the SRFs – significant resources that we know will go a long way toward achieving our shared goals. The enclosure summarizes the first-year allotment of nearly \$44 billion in total SRF funding that will be provided to states, tribes, and territories over the next five years through the Bipartisan Infrastructure Law.

We recommend you review these estimates and begin engaging your partners in state government NOW to ensure that this funding is distributed in an efficient manner on behalf of your organizations. Capacity challenges to get this money spent are to be expected and can be mitigated with proactive engagement.

### **Federal Shutdown Avoided**

Yesterday Congress passed a continuing resolution that would fund the government through Feb. 18, avoiding a government shutdown and allowing for more time to adopt the individual FY22 appropriations bills.

### **House-Passed “Build Back Better Act” Moves to the Senate**

On November 19, the House passed the (\$1.9T, new number) BBB bill (by a vote of 220-213 with all Republicans and one Democrat voting against) sending the bill to the Senate with the goal of enactment by the end of the year. Issues of interest:

- \$30B for Safe Drinking Water SRF lead service line replacement projects;
- \$100M for state public water systems;
- \$700M to reduce lead in school drinking water;
- \$100M for large scale water recycling projects;
- \$1.15B for emergency drought relief;

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Robert Briant, Jr. – Chairman

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\* Steering Committee Member



- \$125M for Alternative Water Source Program grants; and,
- \$2B for sewer overflow and storm water reuse grants;
- \$4B for reduction of carbon in the surface transportation sector;
- \$4B for affordable and safe transportation access; and;
- \$6B for local surface transportation projects.

These are the same programs and the same funding amounts that were in the original BBB bill. No funding for the Clean Water SRF is included (there is in BIF). It does include new taxes. Various social programs are funded through this House measure that are unlikely to survive in the Senate.

### **KEY ADVOCATES REPORT**

Included with this notice is Key Advocates recent report which is current to November 30, 2021.

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## *December 2021 Insights*

### **BBB- Senate Consideration**

Some key issues:

- Overall Cost
- Pay-fors
- State and Local Tax
- Medicare
- Paid Leave
- Climate

### **BBB – House-Passed “Build Back Better Act”**

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- \$1.15B for emergency drought relief;
- \$125M for Alternative Water Source Program grants; and,
- \$2B for sewer overflow and storm water reuse grants;
- \$4B for reduction of carbon in the surface transportation sector;
- \$4B for affordable and safe transportation access; and;
- \$6B for local surface transportation projects.

These are the same programs and the same funding amounts that were in the original BBB bill. No funding for the Clean Water SRF is included (there is in BIF). It does include new taxes.

### **BIF – “Infrastructure Investment and Jobs Act”**

On November 15, the President signed into law (P.L. 117-58) the BIF, the core infrastructure bill totaling \$1.2T, of which \$550B is new spending and the balance from program offsets and user fees. It does not include any new taxes. Issues of interest:

- For FY22-26 \$12.838B for the Clean Water State SRF, starting at \$2.127B in FY22 and going up to \$2.828B in FY26;
- \$35.713B over five years for the Safe Drinking Water SRF, starting at \$6.702B in FY22 and going up to \$7.403B in FY26;

No appropriations are included for the Alternative Water Source Projects program (an authorization of \$125M over 5 fiscal years is included);

\$8.3B for the USBR for FY22-26 with an annual cap of \$1.66B per year including a number of programs under USBR's jurisdiction with specific appropriated amounts but without specifying annual funding amounts for each program;

For water recycling, the bill appropriates \$1B over 5 FY's, broken down to \$550M for Title XVI and WIIN Act grants and \$450M for "large scale" projects (those with project costs >\$500M);

\$400M over 5 FY's for WaterSMART;

\$1.2B for water storage and groundwater;

\$25M for desalination;

S. 914, as passed by the Senate, which authorizes \$14.65B over five fiscal years for the Clean Water SRF and the Safe Drinking Water SRF, and \$125M for the AWSP and which includes the Feinstein-Padilla amendment which limits the prohibition against applying for Alternative Water Source Program (AWSP) grants to USBR projects that received construction funds; and,

Senate FAST Act reauthorization bill which provides \$287B in highway spending, 90-percent of which would be distributed to the states by formula. It also provides \$10.8B for various programs addressing resiliency and \$2.5B for electric, hydrogen, and natural gas vehicle charging and fueling stations. It provides billions for curbing emissions, reducing congestion and truck idling. It also streamlines infrastructure permitting and sets a two-year target for environmental reviews. Lastly, it provides \$12.5M per year to fund state and regional pilot testing of user-based alternative revenue mechanisms to the gas tax.

Other core infrastructure -

- \$65B for Broadband
- \$17B for Ports
- \$25B for Airports
- \$7.5B for Zero and Low-Emission Buses and Ferries
- \$7.5B for Plug-In Electric Vehicle Chargers
- \$65B to Rebuild the Electric Grid
- \$21B for Superfund and Brownfield sites

## **Bills of Interest**

Note: all of the following bills are on hold as they have some relation to what is going on with the infrastructure bills. Will be checking with the bill sponsors and/or committee of jurisdiction once the dust settles on the infrastructure bills as those have had their priority attention.

H.R. 1015, "Water Recycling Investment and Improvement Act" and STREAM Act ("Support to Rehydrate the Environment, Agriculture and Municipalities Act")

One of the main purposes of Congresswoman Napolitano's H.R. 1015 is to authorize \$500M for WIIN Act grants. As the BIF appropriates \$550M for Title XVI and WIIN, not sure Napolitano will pursue her bill if that is the outcome of the infrastructure bill. Likewise, for the STREAM Act which provides a \$250M authorization. To review, on February 11, Congresswoman Napolitano introduced H.R.1015, the same bill she introduced last Congress. It increases the WIIN Act authorization to \$500M, strikes certain requirements, and increases the Federal share from \$20M to \$30M.

The STREAM Act draft by Senator Feinstein authorizes the WIIN grant program at \$250M over 5 fiscal years, increases the Federal share to \$30M, eliminates the requirement that Congress must approve funding awards for specific projects by designating them in an enacted appropriations bill, establishes a new Reclamation Infrastructure Finance Program, expedites congressional approval for water shortage projects of \$750 million, and authorizes \$100 million for desalination projects.

S. 914, “Drinking and Wastewater Infrastructure Act” and H.R. 1915, “Water Quality Protection and Job Creation Act of 2021”

S. 914, as passed by the Senate, authorizes \$14.65B over five fiscal years for the Clean Water SRF and the Safe Drinking Water SRF, and \$125M for the AWSP and includes the Feinstein-Padilla amendment which limits the prohibition against applying for Alternative Water Source Program (AWSP) grants to USBR projects that received construction funds.

On July 1, the House passed H.R. 3684, the “INVEST in America Act” - the House version of the highway bill. Included is H.R. 1915 which authorizes \$40B over five fiscal years for the Clean Water SRF, \$52.94B over ten years for the Safe Drinking Water SRF, and \$1B for the AWSP. It also includes the same prohibition language as S. 941 regarding eligibility for recycled water projects in the AWSP.

H.R. 3404, “FUTURE Western Water Infrastructure and Drought Resiliency Act”

Again, one of the main purposes of Congressman Huffman’s H.R. 3404 is to authorize \$500M for the WIIN Act grant program. Per above, that has been addressed in BIF. To review, H.R. 3404, introduced on May 21, also increases the Federal share to \$30M and authorizes a new \$300M water trust fund with \$100M earmarked for recycled water projects.

H.R. 4099, the “Large Scale Water Recycling Project Investment Act”

The BIF appropriates \$450M for large water recycling projects. To review, on June 24, Reps. Napolitano, Grijalva, Huffman and Lee introduced H.R. 4099 which authorizes \$750M for FY23-27 for a competitive grant program within the Department of the Interior for large-scale water recycling projects that have a total estimated cost of at least \$500M. Federal share is 25% but there is provision for increasing that. Projects must be within one of the USBR 17 western states.

On July 14, the Senate Energy and Natural Resources Committee marked up its title to the infrastructure bill that authorizes \$1B for water recycling and reuse projects, of which \$550M is for projects authorized by Congress or selected for funding under the Title XVI WIIN grant program, and \$450M is for large-scale recycling and reuse projects (total estimated cost of \$500M or more, 25 percent Federal cost share, no total dollar cap); \$400M for WaterSMART grants; \$1.15B for water storage, groundwater storage and conveyance projects; \$3.2B for aging water infrastructure; \$1B for rural water projects; \$250M for water desalination projects; \$500M for dam safety programs; \$300M for implementing the Colorado River Basin Drought Plan; \$100M for watershed management projects; \$250M for aquatic ecosystems; \$100M for multi-benefit projects; and, \$50M for endangered species programs.

## **H.R. 3112, Western Water Recycling and Drought Relief Act of 2021**

A Coalition letter, dated October 14, was sent to Senator Padilla requesting that he introduce the Senate companion bill to H.R. 3112. On November 19, Jayne sent a follow-up email regarding the status of the Coalition's request.

### **FY22 Appropriations Generally**

A Continuing Resolution is funding the government at current levels until Dec.3, thereby avoiding a government shutdown on October 1 and allowing time for completion of individual FY22 appropriations bills. All bills are currently in conference.

### **FY22 "Water" Appropriations Bills**

The House passed its FY22 Interior and Energy and Water Appropriations Bills which provide \$1.871B for the Clean Water SRF, \$1.358B for the Safe Drinking Water SRF, \$63.617M for Title XVI grants, of which \$10M is for Title XVI WIIN grants and \$75M for WaterSMART grants.

Included in the Senate announced Interior and Energy and Water bills is \$1.689B for the CWSRF, \$1.176B for the SDWSRF, \$32M for Title XVI grants, of which \$20M is for WIIN grants and \$48M for WaterSMART grants.

### **FY22 Transportation Appropriations Bills**

The House passed its FY22 Transportation Appropriations Bill which includes \$1.2B for National Infrastructure Investment Grants, \$61.9B for state highway formula programs, \$625M for passenger rail, \$2.7B for Amtrak, and \$15.5B for transit.

Included in the Senate announced bill is \$1B for National Infrastructure Investment Grants, \$56.9B for state highway formula programs, \$552.6M for passenger rail, \$2.7B for Amtrak, and \$13.5B for transit.

### **Bill Tracking**

Tracking bills that are marked up by committees and/or come to our attention.