



May 2, 2023

CWCC VIRTUAL FLY-IN / WATER WEEK – FOLLOW UP

Thank you all that joined our **CWCC Virtual Fly-In and Business Meeting** on April 25th.

Please [CLICK HERE](#) to access materials from the virtual event, including several follow-up items referenced below. The files available for download include a written summary of Sante Esposito's verbal report during our meeting.

The Water Week organizers still have key information available by [CLICKING HERE](#). The two-day event was very successful with key officials in government and leading water advocacy groups in DC pushing for our common cause.

During the business section of our meeting, we primarily discussed the pace of project delivery. As a follow up to that discussion, we have included the RFP and other documents used by New Jersey's SRF program to create a pool of outside engineers to assist in moving projects through the review process and to the procurement stage. Please note this was done specific to the state laws and regulations in the State of NJ at the time it was released. You may want to review this and push relevant agencies in your jurisdiction to take a similar step. The Executive Director of NJ's SRF is available to discuss this with your SRF leadership and we are open to helping them make that connection at your request. We feel like taking this step is a "best practice" and if you have other examples, please share with us and we can share them as well.

PUBLIC OPINONS ON WATER INFRASTRUCTURE

In the link above, we have included polling released last week from the US Water Alliance and a NJ-specific polling memo that I referenced during our meeting.

The full presentation and a two-page summary memo from US Water Alliance draws the following conclusions:

- Overall, voters' views on water infrastructure have remained steady over the past year.
- Voters continue to feel positive about the condition of their local water infrastructure and divided in their evaluation of the national water infrastructure.
- However, views of both have become steadily less positive over the last few years.

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Robert Briant, Jr. – Chairman

AGC of America • AGC of Texas • Alabama Utility Contractors Association • Arizona Utility Contractors Association • Associated Pennsylvania Constructors • Associated Utility Contractors Of Maryland* • Connecticut Construction Industries Association • CIC of Westchester County & Hudson Valley* • Engineering Contractors Association • General Contractors Association Of New York • Georgia Utility Contractors Association • Indiana Constructors Inc. • Long Island Contractors Association • Maryland Transportation Builders & Materials Association • Michigan Infrastructure & Transportation Association • Minnesota Utility Contractors Association* • National Rural Water Association • New Mexico Utility Contractors Association • NYSLECET • Ohio Contractors Association • Public Works Contractors Association of Maryland • Tennessee RoadBuilders Association • Underground Contractors Association of Illinois* • United Contractors* • UCA of Anne Arundel County • Utility Contractors Association of New England* • Utility & Transportation Contractors Association of New Jersey* • Contractors Association of West Virginia • Wisconsin Underground Contractors Association

* Steering Committee Member



- Only two in five are familiar with the bipartisan infrastructure bill, a decrease relative to 2022, but when provided an introduction they offer strong approval that cuts across partisan affiliation and geography.
- Messaging on the infrastructure bill is highly compelling, especially statements describing lead pipe replacement and the removal of dangerous contaminants.
- Voters continue to be highly satisfied with their water, wastewater and stormwater service; view it as affordable; and trust that the water delivered to their home is safe.
- While most say that their water service is affordable, the 2022 spike in those who have concerns about affordability has persisted.
- As in prior years, most are willing to pay as much as \$50 additional each year for water infrastructure improvements.

We thank our partners at the US Water Alliance for providing all this critical information. You now have access to the full slide deck of results as well as a short explainer memo from US Water Alliance's pollsters to help unpack the results or prepare talking points for yourselves. The memo summarizing polling results from New Jersey is being shared as background in the event other CWCC members are considering doing their own local polling. The results are currently supporting budget season advocacy (including paid and earned medial) focused on securing additional funding for water infrastructure from the American Rescue Plan Act funding that remains unallocated in New Jersey.

Key Advocates Report

Included with this notice is Key Advocates recent report which is current to April 28, 2023.



(703) 340-4666

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April 28, 2023

May 2023 Insights

Debt Limit Extension

One of the major issues facing Congress is the debt limit extension. Initially it was reported that the limit of \$31.4T would be hit in May, then June, and now the deadline is unclear. Historically, a clean debt limit extension has been supported by both parties in both Houses. However, as part of the deal to secure the speakership, Congressman McCarthy agreed to use the debt limit bill as the vehicle for addressing cuts in domestic spending and unwinding certain Biden priorities. The Senate Republicans have been silent on the issue, leaving it up to the House Republicans to act first. On Wednesday, April 26, the House passed a McCarthy-led proposal to raise the debt ceiling by \$1.5T for one year, capping FY24 federal spending at the FY22 levels with only 1% annual increases for a decade, amounting to a roughly \$130B cut, and including various programs changes such as restoring work requirements for government benefits programs, repealing green energy tax credits, eliminating increased IRS funding, etc. The Administration supports a clean debt limit extension/ increase with no conditions. Of concern to the Coalition is what the funding cap portion of the McCarthy House-passed proposal may mean for the Clean Water and Safe Drinking Water SRF's as it relates specifically to funding provided by the Bipartisan Infrastructure Law (BIF). For example, the BIF provided \$2.4B in FY22 for the CWSRF over and above general fund appropriations. For FY24, that figure increases to \$3B. Thus, with an FY22 funding cap, the CWSRF could lose \$600M. The SDWSRF is impacted similarly. The Senate will not pass the House bill. However, its passage does trigger discussions/negotiations with The White House. We have been in touch, as have other water stakeholders, with both the House and Senate Appropriations Committees. The issue is a work in progress.

FY24 Appropriations Bills

No markups yet in either House. A Continuing Resolution is becoming more and more likely. Of concern is the expected threat by the House Republicans, regardless what happens with the debt limit extension effort, to hold discretionary spending at the FY22 levels. Again, while that would not be bad for the SRF's in terms of general funds, it would be bad if that canceled the FY24 add-on provided by the BIF. The issue is a work in progress.

10-Year Balanced Budget

Another policy that Speaker McCarthy agreed to is a 10-year balanced budget. So far this has been problematic for the House Republicans. They currently have not developed a proposal. Publically, proposing certain cuts is politically challenging. McCarthy has some makings of a proposal – not public. His Budget Committee Chair has one – also not public –

which McCarthy takes issue with and the dispute between the two has spilled over in the press. Budget resolutions – no matter the duration – are not binding on Congress. They don't have the force and effect of law. They are more of a political statement. However, the concern about this effort is that the Republicans will hold future annual appropriations and BIF funding to the budget numbers. We have been in touch, as have other water stakeholders, with both the House and Senate Budget Committees. Again, the issue is a work in progress.

President's FY24 Budget

For the CWSRF, \$1.638B and for the Safe Drinking Water SRF, \$1.2B. The President's Budget rejects earmarks as a takedown from the basic SRF funding. For Title XVI, \$4M, the same as the FY23 Biden Budget but increased by the appropriators to \$60M, of which \$20M was for WIIN grants.

Consolidated Appropriations Act, 2023

To review, included in the FY23 omnibus appropriations bill is \$1.639B (state allotments and earmarks) for the Clean Water SRF, which is in addition to the \$2.750B provided in the Infrastructure Investment and Jobs Act aka the Bipartisan Infrastructure Law, \$1.126B (state allotments and earmarks) for the Safe Drinking Water SRF, which is in addition to the \$2.750B provided in the Infrastructure Investment and Jobs Act aka the Bipartisan Infrastructure Law, and "not less than \$20M" for WIIN grants.

Earmarks

The Coalition continues to express concern about what happened last year in the appropriations process regarding final funding of the SRF's and related earmarks. Going into final deliberations of the House and Senate Interior Appropriations Bills, funding for the SRF's was basically about the same in both bills. Then came the decision to reduce spending government-wide. Instead of reducing earmark spending – owing to Member pressure – basic programs were cut including the SRF's which were reduced to accommodate related earmarks. The Coalition stated that continuance of that approach for FY24 and beyond is a real problem and counter to the goal of the BIF which was to increase SRF spending over and above increases in the traditional appropriations process and not in lieu of reductions by that process. Regarding earmarks in general, the Coalition expressed its support for their continuance in FY24 appropriations bills.

Issues/Bills of Interest

- a. Alternative Water Source Program Funding (AWSP) – authorized at \$125M in the BIF but not funded. Also, included the language the Coalition requested that makes USBR recycled water projects that have not received construction funds eligible to apply for AWSP grants.
- b. Mega Recycled Water Project Funding – continue to look for opportunities to increase funding for mega recycled water projects over and above the \$450M provided in the BIF.
- c. STREAM Act - introduced last Congress by Senator Feinstein, waiting on reintroduction of the bill which the Feinstein staff said would be in April. Authorizes \$300M for WIIN grants and increases the Federal share to 50%.

- d. Napolitano WIIN Grant Reform Bill - waiting on her office and the Natural Resources Committee Democrats for next steps. Authorizes \$500M for WIIN grants and increases the Federal share to 50%.
- e. If there is an effort to pursue non-controversial infrastructure items, advocate for programs of interest such as those included in the House-passed “Build Back Better” bill:
 - \$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;
 - \$125M for Alternative Water Source Program grants;
 - \$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.

No funding for the Clean Water SRF is included in the House BBB. It does include new taxes.

Bill Tracking

Many bills are introduced. Most of them for political reasons. Most do not advance beyond introduction – committee hearing, markup, Floor action. Accordingly, we will only note bills of interest that are advancing through the legislative process and/or come to our attention.