



**American Water Works
Association**

Government Affairs Office
1300 Eye St. NW
Suite 701W
Washington, DC 20005-2149
T 202.628.8303
F 202.628.2846

Headquarters Office
6666 West Quincy Avenue
Denver, CO 80235-3098
T 303.794.7711
F 303.347.0804
www.awwa.org

The Authoritative Resource on Safe WaterSM

Washington D.C. Report

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House Passes Stimulus Bill with \$2 Billion for Drinking Water; Senate Appropriations Committee Approves Same Level

The House of Representatives yesterday passed an \$819 billion economic stimulus package containing \$2 billion for drinking water infrastructure and \$6 billion for wastewater infrastructure, to be made available through the state revolving funds. Another \$1.5 billion would be made available through USDA's rural water and wastewater program. All but eleven Democrats voted to approve the measure – one of the largest appropriations bills ever passed – and all 177 House Republicans voted against it. The bill is H.R. 1, the American Recovery and Reinvestment Act of 2009.

H.R. 1 would require EPA to get the money to state SRF programs in 30 days. Then state agencies would be required to contract out 50 percent of the money within one year of the bill's enactment and 50 percent in the second year. The House bill also requires that 50 percent of the SRF funds be distributed as grants.

Action now turns to the Senate, where the Committee on Appropriations has approved one component of the Senate's version of the stimulus package – S. 336 – which contains \$2 billion for drinking water, \$4 billion for wastewater, and \$1.4 billion for rural water and wastewater projects. After the Senate finishes its work on the bill, the Senate and House must reconcile their different versions, and both chambers must vote up or down (no amendments) on the final, reconciled bill. House and Senate leaders hope to accomplish that and send the bill to the President by the middle of February.

Drinking water funding levels on both sides of the Hill are below the levels sought by the drinking water and wastewater communities, and reflect a general reduction in the bill's infrastructure component to accommodate spending on education, mass transit, clean up of former nuclear weapons sites, tax cuts, and numerous other Congressional priorities. AWWA and other drinking water groups have written the Senate urging a higher level of funding for water infrastructure. AWWA members are also being asked to contact their Senators to urge at least \$10 billion for drinking water infrastructure. There are at least that many drinking water projects ready to go as soon as funds are committed, AWWA has estimated.

The recent letter to the Senate by AWWA and other drinking water groups is attached.

As always, please contact your AWWA Washington Office if you have questions or comments.



American Water Works
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ASSOCIATION OF
METROPOLITAN
WATER AGENCIES



NAWC
NATIONAL ASSOCIATION
OF WATER COMPANIES

January 26, 2009

The Honorable Harry Reid, Majority Leader

The Honorable Daniel Inouye
Chair, Committee on Appropriations

The Honorable Barbara Boxer
Chair, Committee on Environment and Public Works

United States Senate
Washington, DC 20510

Re: Economic stimulus legislation and drinking water infrastructure

Dear Senators,

On behalf of the more than 4,700 utilities that provide 80 percent of the American public with drinking water, we urge you to provide at least \$10 billion for drinking water infrastructure, to be distributed through the Drinking Water State Revolving Fund in the economic stimulus legislation you are considering. Data from a survey of water systems across the country has shown that there are at least \$10 billion in "shovel-ready" drinking water projects that could begin within 120 days of receiving funding. We also support efforts to temporarily modify some of the usual administrative requirements of the SRF program in order to make sure that stimulus funds are distributed in a timely manner. We believe that the funds should be available to all public water systems that are eligible under the Safe Drinking Water Act.

Drinking water projects that are ready to begin include replacement of water mains and service lines, new pumping stations, upgrades of treatment plants, storage facilities, security upgrades, and similar work. These projects would create more than 400,000 jobs across the United States including thousands at both public and privately owned drinking water systems that serve cities and towns of all sizes.

While some previous stimulus proposals on infrastructure have provided greater funding for wastewater than drinking water, studies show that infrastructure spending for drinking water and wastewater ought to be equal. For example, a 2002 report by the Congressional Budget Office, "Future Investment in Drinking Water and Wastewater Infrastructure," showed that drinking water infrastructure spending for the next 20 years needs to be \$11.6 billion to \$20.1 billion annually above current levels. CBO also reported that wastewater infrastructure spending needs to be \$13 billion to \$20.9 billion annually above current levels. The U.S. Conference of Mayors, in a report issued in 2008, found that drinking water infrastructure spending needs to be \$276.8 billion through 2023, above current levels. Wastewater spending needs to be \$202 billion through 2028, according to the mayors' report.

Our organizations stand ready to assist the Senate as it deliberates this important legislation. Please contact us if we can provide additional information on drinking water infrastructure issues.

Sincerely,

Tom Curtis

Deputy Executive Director, AWWA

Diane VanDe Hei

Executive Director, AMWA

Peter Cook

Executive Director, NAWC

cc/United States Senate