



**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 Water SM

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Congress Passes Stimulus Bill with \$2 Billion for Drinking Water

Congress passed an economic stimulus bill today that contains \$2 billion in funding for drinking water infrastructure. Now the bill, H.R. 1, goes to President Obama for his signature, which is expected no earlier than Monday. Congressional leaders had a goal of getting the final bill to him by Presidents' Day, which is that day. The massive size of the bill will delay final administrative steps, or "enrollment," for H.R. 1 until then.

The House approved the measure 246-183 in the early afternoon, and the Senate voted its approval 60-38 at about 10:47 p.m. The Senate vote was one of the more interesting in congressional history. Voting began at 5:30 p.m. so Sen. Joseph Lieberman, I-Conn., a devout Jew, could vote before the Sabbath, or sundown. However, the bill's supporters needed a crucial 60th vote from Sen. Sherrod Brown, D-Ohio, who was in Mansfield, Ohio, for his mother's memorial service. She died February 2. News reports say the White House arranged for a jet to take Brown from Ohio to Andrews Air Force Base outside Washington, and he could not arrive until late this evening. Bill supporters needed 60 votes to overcome any budgetary points of order. The key pages regarding water infrastructure in H.R. 1 are attached.

AWWA will provide a webcast on the stimulus bill at 1 p.m. EDT February 26. Watch the AWWA website for details on how to view it.

Legislators were determined from the outset not to create new federal bureaucracies in the bill. Therefore, water infrastructure stimulus funds will be distributed via the state revolving loan fund (SRF) program. The \$2 billion will be divided among the 50 states according to the existing SRF allocation formula. While details of how to apply for funding have yet to be announced, officials at the U.S. Environmental Protection Agency (EPA) said yesterday that utilities interested in applying should immediately contact their own state SRF officials. A roster of those officials is at AWWA's website, on the Government Affairs main page at

<http://www.awwa.org/Government/Content.cfm?ItemNumber=3821&navItemNumber=1618>

The total cost of the stimulus bill, also known as the American Recovery and Reinvestment Act, is about \$787 billion. Congress provided \$4 billion for wastewater utilities and \$1.4 billion for rural drinking water, wastewater water and waste disposal projects. Following are highlights with regard to drinking water funding:

- \$2 billion for drinking water infrastructure
- States will not be required to provide matching funds

- Priority for project funding will be given to projects on a state priority list that are ready to proceed to construction within 12 months of enactment of H.R. 1
- Each state shall use no less than 50 percent of its capitalization funds to provide “additional subsidization...in the form of forgiveness of principal, negative interest loans or grants or any combination of these...”
- At least 20 percent of the funds shall be used for “projects that address green infrastructure, water or water efficiency improvements or other environmentally innovative activities...” to the extent that there are sufficient eligible project applications
- Funds may be used to buy, refinance or restructure debt obligations of eligible recipients only when that debt was incurred on or after October 1, 2008
- EPA shall reallocate funds where projects are not under contract or construction within 12 months of enactment
- No funds may be used to acquire land or a conservation easement for source water protection, to implement source water protection measures, or to establish or implement wellhead protection programs
- EPA (and all other federal agencies receiving stimulus funds) must post its plans for using those funds on the Recovery.gov website, which will be publicly accessible.

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

1 9003(h) of the Solid Waste Disposal Act: *Provided*, That
2 none of these funds shall be subject to cost share require-
3 ments under section 9003(h)(7)(B) of such Act: *Provided*
4 *further*, That the Administrator may retain up to 1.5 per-
5 cent of the funds appropriated herein for management and
6 oversight purposes.

7 STATE AND TRIBAL ASSISTANCE GRANTS

8 (INCLUDING TRANSFERS OF FUNDS)

9 For an additional amount for “State and Tribal As-
10 sistance Grants”, \$6,400,000,000, which shall be allocated
11 as follows:

12 (1) \$4,000,000,000 shall be for capitalization
13 grants for the Clean Water State Revolving Funds
14 under title VI of the Federal Water Pollution Con-
15 trol Act and \$2,000,000,000 shall be for capitaliza-
16 tion grants under section 1452 of the Safe Drinking
17 Water Act: *Provided*, That the Administrator may
18 retain up to 1 percent of the funds appropriated
19 herein for management and oversight purposes: *Pro-*
20 *vided further*, That funds appropriated herein shall
21 not be subject to the matching or cost share require-
22 ments of sections 602(b)(2), 602(b)(3) or 202 of the
23 Federal Water Pollution Control Act nor the match-
24 ing requirements of section 1452(e) of the Safe
25 Drinking Water Act: *Provided further*, That the Ad-

1 administrator shall reallocate funds appropriated here-
2 in for the Clean and Drinking Water State Revolv-
3 ing Funds (Revolving Funds) where projects are not
4 under contract or construction within 12 months of
5 the date of enactment of this Act: *Provided further,*
6 That notwithstanding the priority rankings they
7 would otherwise receive under each program, priority
8 for funds appropriated herein shall be given to
9 projects on a State priority list that are ready to
10 proceed to construction within 12 months of the
11 date of enactment of this Act: *Provided further,* That
12 notwithstanding the requirements of section 603(d)
13 of the Federal Water Pollution Control Act or sec-
14 tion 1452(f) of the Safe Drinking Water Act, for the
15 funds appropriated herein, each State shall use not
16 less than 50 percent of the amount of its capitaliza-
17 tion grants to provide additional subsidization to eli-
18 gible recipients in the form of forgiveness of prin-
19 cipal, negative interest loans or grants or any com-
20 bination of these: *Provided further,* That, to the ex-
21 tent there are sufficient eligible project applications,
22 not less than 20 percent of the funds appropriated
23 herein for the Revolving Funds shall be for projects
24 to address green infrastructure, water or energy effi-
25 ciency improvements or other environmentally inno-

1 vative activities: *Provided further*, That notwith-
2 standing the limitation on amounts specified in sec-
3 tion 518(c) of the Federal Water Pollution Control
4 Act, up to 1.5 percent of the funds appropriated
5 herein for the Clean Water State Revolving Funds
6 may be reserved by the Administrator for tribal
7 grants under section 518(c) of such Act: *Provided*
8 *further*, That up to 4 percent of the funds appro-
9 priated herein for tribal set-asides under the Revolv-
10 ing Funds may be transferred to the Indian Health
11 Service to support management and oversight of
12 tribal projects: *Provided further*, That none of the
13 funds appropriated herein shall be available for the
14 purchase of land or easements as authorized by sec-
15 tion 603(c) of the Federal Water Pollution Control
16 Act or for activities authorized by section 1452(k) of
17 the Safe Drinking Water Act: *Provided further*, That
18 notwithstanding section 603(d)(2) of the Federal
19 Water Pollution Control Act and section 1452(f)(2)
20 of the Safe Drinking Water Act, funds may be used
21 to buy, refinance or restructure the debt obligations
22 of eligible recipients only where such debt was in-
23 curred on or after October 1, 2008;

24 (2) \$100,000,000 shall be to carry out
25 Brownfields projects authorized by section 104(k) of