



## Landmark Year for Water/Sewer Infrastructure

January 26<sup>th</sup>, 2022

Fort Worth, TX



## The Infrastructure Investment and Jobs Act (IIJA) - H.R. 3684

- ▶ Largest-ever Federal Investment in key water infrastructure and other utility markets (\$550B in new spending)
  - ▶ \$55B for water infrastructure
    - ▶ ~\$23B split between the Clean Water and Drinking Water SRFs; 3x increase to drinking water SRF funding
    - ▶ ~\$15B to remove and replace lead drinking water pipes
    - ▶ Also: \$10B in grants to address PFAS contamination
- ▶ Over \$40B for broadband construction
- ▶ \$110B for surface transportation
- ▶ \$73B for electric grid; \$7B for EV charging stations
- ▶ \$66B for passenger and freight rail
- ▶ \$42B for airports, ports, and waterways
- ▶ \$1B for Municipal gas distribution replacement
- ▶ **And more!**



## Infrastructure Funding Overview

- ▶ IJJA covers FY 2022 – FY 2026
  - ▶ Funding will begin affecting the market **next year**
    - Not a quick stimulus – but a “generational investment”
- ▶ Most of the funding given to states will be distributed through existing formulas (DOT, SRFs, Broadband)
- ▶ States will have access to billions of additional dollars for other infrastructure projects by way of competitive grants; around \$76.6 billion worth. These programs include but are not limited to:
  - ▶ Flood mitigation
  - ▶ Waterway and coastal infrastructure
  - ▶ Environmental remediation
  - ▶ Infrastructure resiliency
  - ▶ Western Water Infrastructure
- ▶ To access non-guaranteed funding, state/local governments must submit competitive grant applications to federal agencies administering each program



## Infrastructure Funding Overview

- ▶ Agencies/states have **significant** flexibility in dispensing funds
  - ▶ Some funding comes from federal grants to specific projects, but most flows through the states first
  - ▶ Federal agencies may prioritize Administration goals in deciding which projects to issue grants (climate change, etc.)
  - ▶ Spending decisions must generally be approved by state lawmakers – next session (2022) begins in January
- ▶ Federal agencies have already begun drawing up/publishing preliminary guidance for funding and program implementation
  - ▶ State/local agencies working on identifying funding priorities – **talk to your state/local officials**



## Infrastructure Funding Overview – Water Infrastructure

- Funds will be mainly be distributed to projects via the EPA through SRFs
- Funding levels are more than 3x the current appropriations – “single largest investment in water infrastructure” in the history of the federal government (EPA Administrator Michael Regan)
- \$50M in additional competitive grants for small and disadvantaged communities available each year FY 2022-2026; states apply through EPA
- Timeline:
  - \$7.4B being distributed by EPA for FY 2022
    - Includes \$2.9B specifically earmarked for lead pipe replacement
    - \$866 million for PFAS and other contaminants
  - Appropriations increase in subsequent years through FY 2026



## Infrastructure Funding Overview – Water Infrastructure Funding Breakdown

State & Tribal Grants	55.426 billion
Clean Water State Revolving Fund Traditional	11.713 billion
Drinking Water State Revolving Fund Traditional	11.713 billion
Lead Service Lines Drinking Water State Revolving Fund	15 billion
PFAS Clean Water State Revolving Fund	1 billion
PFAS Drinking Water State Revolving Fund	4 billion
PFAS Small & Disadvantaged	5 billion
Underground Injection Control Grants	50 million
Brownfields	1.5 billion
Pollution Prevention	100 million
Save Our Seas 2.0	275 million
RECYCLE Act	75 million
Clean School Buses	5 billion



## Implementing IJA

- Water funding to be distributed through SRF programs annually
- What other sorts of projects will receive funding?
  - Panther Island Project in Fort Worth, TX to receive more than \$400M, by way of the Army Corps of Engineers
- What challenges do you anticipate?
  - Workforce capacity
    - Labor shortage
  - Supply chain issues



## What's on the Horizon?

- Annual Appropriations
  - Proposals for doubled or more appropriations for SRF programs
  - Congress must still pass a spending bill to allow IIJA to be fully implemented
- Water Resources Development Act (WRDA) Reauthorization
  - Funding increases expected for Army Corps of Engineers, WIFIA reauthorization at current levels
- Additional Funding for Lead Pipe Removal/Replacement
  - Proposed funding included in currently-stalled BBB plan – possible future agenda item





## Questions?

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