HR 1 – The American Recovery and Reinvestment Act
WEF Summary of Water, Infrastructure and Energy Provisions Based on 2/13/09 Conference Report

EPA SRF Provisions

The Clean Water State Revolving Fund (CWSRF) will receive $4 billion and the Drinking Water State revolving Fund (DWSRF) will receive $2 billion. Funds will distributed to states according to the existing CWA and SDWA allotment formulas. States are directed to give priority in funding to projects that are ready to proceed to construction within 12 months, and any monies that are not under contract or construction within 12 months will be reallocated to other states that have exhausted their stimulus allotment. States are also expected to continue implementation of their base loan programs funded through the annual appropriations bill.

State Matching and Additional Subsidization: The ARRA waives the 20 percent state matching requirement for SRF projects, and directs states to use not less than 50 percent of their capitalization grants for "additional subsidization" assistance, such as principal forgiveness, negative interest loans, or grants. This provision is intended to provide flexibility for States to assist communities that would otherwise not have the resources to repay a loan with interest.

Affordability: House language setting aside a specific amount for communities that meet state affordability criteria was dropped, but the conference report states that Congress expects states to make every effort to target the additional subsidized monies to communities that could not otherwise afford an SRF loan.

Green Infrastructure, Energy and Water Conservation: The bill requires that up to 20 percent of SRF stimulus monies be used for projects to address to green infrastructure, water and/or energy efficiency, innovative water quality improvements, decentralized wastewater treatment, stormwater runoff mitigation, and water conservation. Sates must certify that they lack sufficient, eligible applications for these types of projects prior to using the funds for conventional projects.

Prohibition on Land Purchases and Refinancing of Existing Debt: The bill prohibits the use of both Revolving Funds to purchase of land or easements and other set asides under section 1452(k) of the Safe Drinking Water Act that do not directly create jobs. It also limits the use of the Revolving Funds to buy, refinance or restructure debt incurred prior to October 1, 2008.

USDA Rural Water and Wastewater Provisions

The legislation provides $1.38 billion for loans and grants for rural water and waste disposal. The Conference Report states that the $1.38 billion in new funding will leverage $3.788 in loans and grants, with $2.82 going to direct loans and $968 million to grants.

USDA Watershed Programs

The bill provides $290 million for the Natural Resources Conservation Service's (NRCS) watershed and flood prevention operations program, of which $145 million is for purchasing and restoring floodplain easements under the Emergency Watershed Protection Program. The funding is for investment in both structural and non-structural watershed infrastructure improvements that most cost-effectively provide the greatest public safety, flood protection, economic and environmental benefits.

The bill provides $50 million for the Watershed Rehabilitation Program to address aging flood control infrastructure. Priority will go to projects that are at greatest risk of failure and present public safety threats.

Army Corps of Engineers

The bill provides $2 billion to the Corps of Engineers for construction of the nation' s flood control and navigation infrastructure, including not less than $200 million for water-related environmental infrastructure assistance. The bill further provides $345 million for projects and activities for the Mississippi River and its tributaries; and, $2.075 billion for operation and maintenance of Corps infrastructure programs and projects.

Department of the Interior

The bill provides $1 billion to the Bureau of Reclamation for water and related resources projects. At least $126 million of these funds would be used for water reclamation and reuse projects, $50 million for the Central Utah Project, $50 million for California Bay-Delta restoration, and not less than $60 million would be used for rural water projects expended primarily on water intake and treatment facilities.

The bill provides $140 million to the Geological Survey for Surveys, Investigations and Research. The conference report encourages USGS to consider a wide variety of activities including equipment replacement and upgrades for stream gages and national map activities.

Department of Housing and Urban Development

The bill provides $1 billion in funding for HUD's Community Development Block Grants program. In addition to funding local housing/development programs, local governments may use these block grants for related infrastructure needs. This funding provided in this legislation will be distributed through the existing formula and is required to adhere to an accelerated timeframe.

Department of Energy

The bill provides $3.2 billion for Energy Efficiency and Conservation Block Grants program through DOE. Modeled after the Community Development Block Grant program, this energy efficiency program provides grants to cities, counties and states for

innovative practices to achieve greater energy efficiency and lower energy usage. Water and wastewater utilities considering sustainable energy practices should investigate this program with their local and State governments.