

THE BIPARTISAN INFRASTRUCTURE LAW

Investments in Drinking Water and Wastewater Infrastructure

The Infrastructure Investments and Jobs Act (IIJA), enacted on November 15, 2021, brings new opportunities for local government units to invest in water infrastructure. The Environmental Protection Agency (EPA) has \$55 billion to appropriate for water projects that will ultimately improve water quality for all our citizens. The new funding will advance many water projects across the country and represents the most significant infrastructure investment in drinking water, wastewater, water reuse, conveyance, and water storage in our nation's history.

Funding Falls into Eight Major Programs

1. Drinking Water and Clean Water State Revolving Funds (\$23.43 billion) provide below market rate loans and grants to improve water infrastructure to protect public health and the environment.
2. Lead Service Lines (\$15 billion) provides funding for lead pipe replacement.
3. PFAS and Emerging Contaminants (\$10 billion) provide funding for lead pipe replacement. The PFAS and Emerging Contaminants program provides funding for states and water utilities to be used to treat any pollutant that is a perfluoroalkyl or polyfluoroalkyl substance (PFAS) or any other pollutants pollutant identified by the Environmental Protection Agency Administrator as a contaminant of emerging concern.
4. Indian Water Rights (\$2.5 billion) program is to satisfy Federal obligations under Indian water rights settlements enacted as of November 15, 2021. Indian Health Service Water and Sewer (\$1.8 billion), provides funds for the provision of domestic and community sanitation facilities for Tribal communities.
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6. Water and Sewer Tax (\$1.25 billion) excludes from taxable income any "contribution in aid of construction" or any other contribution for purposes of water storage.
7. Rural Water (\$1 billion) invests in water infrastructure projects in rural communities.
8. Western Water (\$7.1 billion) program appropriates funds to be spent on projects associated with water storage, groundwater storage, and conveyance projects, water recycling and reuse projects, water desalination projects and studies, watershed management, dam repair and replacement, repairing, and replacing aging infrastructure, and WaterSMART grants.

Water is life. It keeps us healthy, sustains vibrant communities and dynamic ecosystems, and it supports the economy. Water infrastructure is essential to delivering reliable, affordable, and safe water. When **water infrastructure** fails, it threatens people's health, peace of mind, and the environment. The **Bipartisan Infrastructure Law** provides a historic investment to replace pipes, upgrade water treatment facilities, and ensure that America's water systems are resilient for the future.



ADDITIONAL PROGRAMS

Small, Underserved, and Disadvantaged Communities Grant Program

The IIJA expands and funds the program to include assistance in public water systems in small and/or underserved/ disadvantaged communities to meet the Safe Drinking Water Act requirements. Funding is prioritized to focus on issues addressing emerging contaminants, including PFAS, in these communities.

Water and Groundwater Storage and Conveyance

Water Storage, Groundwater Storage, and Conveyance projects will provide benefits of increased water via the construction of water storage or conveyance infrastructure or by providing technical assistance to non-Federal entities. These projects are an expansion of an existing program.

Water Recycling

Water Recycling and Reuse project funding helps provide grant funding as provided in Title XVI authority and supports the planning, design, and construction of water recycling and reuse projects in partnership with local government entities. These efforts promote greater water reliability and contribute to the resiliency of water supply issues.

Water System Infrastructure and Resilience and Sustainability Program

This program addresses rising threats to clean water infrastructure from climate change. An owner or operator of a publicly owned treatment works can use the grants to

assist in the planning, design, construction, implementation, operation, or maintenance of a program or project to increase the resiliency or adaptability of water systems to natural hazards, cybersecurity vulnerabilities, or extreme weather events, including those related to climate change.

Eligible Projects

In general, the available water and wastewater infrastructure programs can be used to help public water systems finance a wide variety of infrastructure projects. These can include the replacement of transmission and distribution pipes, installing or upgrading water storage tanks, building new water systems, and upgrading existing facilities to improve water quality. In addition, projects can include the construction of wastewater facilities and treatment systems, nonpoint source pollution management, estuary program projects, and stormwater or subsurface drainage water management.

Utilizing Funds

The majority of the water funding will move through the State Revolving Fund programs and provide low-cost financing for water projects. The IIJA appropriations represent a substantial increase in the normally available funds. The EPA has also specified that program goals include targeting resources to disadvantaged communities. The Minnesota Public Facilities Authority manages three revolving loan funds and several other financing programs in Minnesota. These funds help local governments upgrade and construct wastewater treatment and collection facilities, upgrade and construct drinking water storage facilities, address public transportation facilities, and other high-cost infrastructure needs. All wastewater and drinking water projects must be included in the Project Priority Lists managed by the Minnesota Pollution Control Agency and the Department of Health.

NEXT STEPS

Sambatek is available to help clients navigate the Federal requirements related to the IIJA funding, find opportunities to add additional resources to support existing or new programs/projects, and work with state and local governments to help gain access to the new funding is available. We can also provide grant writing services to assure that clients have a credible chance of securing the grant monies available to them.

CONTACT INFORMATION

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