



Position #446  
Revised and Readopted  
(See also Position #364 adopted April 3, 2014  
and Position #404, 4/14/17)

**POSITION  
of the  
WESTERN STATES WATER COUNCIL  
regarding the  
CLEAN and DRINKING WATER STATE REVOLVING FUNDS  
and  
WATER INFRASTRUCTURE FINANCE and INNOVATION ACT  
LOANS and STATE and TRIBAL ASSISTANCE GRANTS**

**Adopted by Executive Committee Action  
March 6, 2020**

**WHEREAS**, the economies of every State and the Nation as a whole depend upon sufficient water supplies of suitable quality, which require adequate water and sewer infrastructure; and

**WHEREAS**, the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund and Drinking Water State Revolving Fund (SRF programs) provide states with capitalization grants that are leveraged with state contributions to offer financial assistance to cities, towns, communities, and others for the planning, design, construction and rehabilitation of built and green water and wastewater-related infrastructure to improve source and drinking water quality; and

**WHEREAS**, each state administers the SRF programs in coordination with EPA, and these programs are one of the principal tools that states use to pursue the goals of the Clean Water Act and Safe Drinking Water Act; and

**WHEREAS**, the nation's wastewater and drinking water infrastructure is aging and in need of repair and replacement; and

**WHEREAS**, the Environmental Protection Agency (EPA) by law estimates infrastructure needs every four years and the most recent estimates show a total capital investment need of at least \$271 billion for wastewater and stormwater infrastructure and \$472.6 billion for drinking water infrastructure nationwide over the next 20 years, and a significant funding gap under current spending and operation practices; and

**WHEREAS**, the 2017 American Society of Civil Engineers' (ASCE) Infrastructure Report Card and updated Failure to Act Report estimates that by 2025 there will be a \$105 billion gap in needed new capital investments for water and wastewater projects, as well as a potential loss of up to 500,000 jobs, and by 2040 a capital funding gap of \$152 billion with 956,000 jobs at risk; and

**WHEREAS**, ASCE recommends a minimum commitment of \$20B per year over five years; and

**WHEREAS**, these estimates do not include anticipated operation and maintenance costs, typically funded by ratepayers, nor an estimated \$30 billion unfunded gap related to calls for replacing some 6.1 million homes with lead water service lines; and

**WHEREAS**, proposed federal appropriations and budget requests that reduce SRF funding ignore the multitude of needs identified by EPA, particularly given that many states and communities are struggling to meet their water and wastewater challenges in the face of growing populations and aging infrastructure; and

**WHEREAS**, to the extent federal law has established certain nationwide levels of treatment for drinking water and wastewater, the federal government has an obligation to provide states with the necessary financial and technical assistance needed to comply with such requirements, including the appropriation of adequate funding for SRF capitalization grants; and

**WHEREAS**, EPA's Clean Water and Drinking Water Infrastructure Sustainability Policy mandates that state SRF programs promote sustainable water infrastructure and overall system sustainability; and

**WHEREAS**, the SRF Programs have measures in place to help ensure system sustainability and account for individual state needs and priorities; and

**WHEREAS**, the SRF programs are one of the most successful delivery mechanisms for federal assistance; and

**WHEREAS**, new competing water and wastewater infrastructure funding programs should not come at the expense of the SRFs, which are a proven model for addressing water and wastewater infrastructure needs; and

**WHEREAS**, it is the sense of Congress through the Water Infrastructure Finance and Innovation Act of 2014 (WIFIA), the Water Infrastructure Improvements for the Nation Act (WIIN Act) of 2016 and America's Water Infrastructure Act of 2018 (AWIA) to provide robust funding of capitalization grants for States' drinking water revolving loan fund and the clean water revolving loan fund; and

**WHEREAS**, Congress has approved a number of additional requirements on the states' management and use of SRF funds, including but not limited to: (1) mandating the use of between 20% and 30% of appropriated funds for principal forgiveness, negative interest loans, grants, or a combination thereof; (2) setting aside 10% of funds for green infrastructure, water or energy efficiency, or other environmentally innovative activities; (3) "American Iron and Steel" provisions that limit the use of SRF funds to purchase certain types of materials and services; and (4) Davis-Bacon Prevailing Wage that requires payment of locally prevailing wages and fringe benefits to contractors and subcontractors at the site of work; and

**WHEREAS**, although often well-intended, these requirements are generally aimed at advancing policy objectives that are unrelated or contrary to the SRFs' primary purpose of providing funding for basic water infrastructure, and reduce the flexibility of the States to manage SRFs in a cost-effective manner; and

**WHEREAS**, additional restrictions on state SRF management represent unfunded federal mandates that impose significant regulatory burdens, make state SRF programs less attractive to local entities, and reduce the capacity of a State to leverage their SRF programs and address infrastructure needs; and

**WHEREAS**, the State and Tribal Assistance Grants (STAG), including Performance Partnership Grants (PPG) and other grants, are critical to the support of state programs that assure that the Nation's drinking water and water quality remain safe for the public health of the citizens.

**NOW, THEREFORE, BE IT RESOLVED**, that the Administration and Congress should work together to ensure that stable and continuing federal appropriations are made to the SRF capitalization grants, WIFIA loans and State and Tribal Assistance Grants at funding levels that are adequate to help States address their water infrastructure needs and protect public health and the environment for the benefit of the people; and

**BE IT FURTHER RESOLVED**, that the SRF programs should allow for greater flexibility and require fewer restrictions on state SRF management.

*See also Position #330 adopted April 15, 2011 in Santa Fe, New Mexico.*