Rural Water Policy Advisory [9/3/2018]

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NRWA Defends State Revolving Funds in Congress: On Thursday, NRWA issued an alert to all state rural water associations to contact the members of the U.S. House of Representatives' Energy and Commerce Committee and urge them to support legislation that supports the state revolving funds.

The House and Senate environmental committees are in discussions to reconcile their two versions of the 2018 WRDA (Water Resources and Development Act). The Senate is expected to pass <u>S. 2800</u>, "America's Water Infrastructure Act of 2018," in the coming days and the House passed <u>H.R. 8</u>, "Water Resources Development Act of 2018," in June. There is an urgency to finalize a Senate-House WRDA legislative package because it will have to pass Congress and be presented to the President before this year's adjournment.

The Senate version of the legislation includes the "Securing Required Funding for Water Infrastructure Now (SRF WIN) Act" sponsored by Senators Boozman (AR), Booker (NJ), Inhofe (OK) and Feinstein (D-CA) which improves the current Water Infrastructure and Finance Innovation Act (WIFIA) by extending WIFIA-type authorities to your state revolving loan funds (SRFs).

State SRFs are preferred to the status quo WIFIA program for the following reasons:

- SRFs, by statute, target federal water funding to communities with the most need or merit (i.e. the
 combination of compliance burden, water rates, and local consumers' ability to pay for the projects).
 WIFIAhas no such targeting or prioritization of funding.
- SRFs allow states to choose projects to meet state-determined needs as opposed to the federal government (U.S. EPA).
- All sizes of communities are eligible for SRF funding.
- All states receive a portion of SRF funding.

Some opponents of the SRF WIN Act argue that the SRFs are primarily for small communities and WIFIA is needed for larger projects. However, this is not the case.

- Approximately 72 percent of clean water SRF funding is awarded to large communities (EPA's Clean Water State Revolving Fund Annual Review). Moreover, approximately 71 percent of drinking water SRF funding is awarded to large communities (EPA's Drinking Water State Revolving Fund National Information Management System).
- The SRFs fund numerous projects that cost over \$50 million and some over \$1 billion. The SRFs continue to fund large water projects (see New York, California and New Jersey awards, page 6).
- The key distinction between the SRFs and WIFIA is that the SRFs prioritize applicants based on need and states' priorities. WIFIA has no similar required targeting.
- Enacting this new legislation does not change the existing WIFIA program; it simply extends some similar authorities to state SRFs.

Senator Boozman (AR) has been in direct communication with the Arkansas Rural Water Association regarding this effort. NRWA circulated a <u>draft letter</u> for states to use to contact their Representatives and a list of House Energy and Commerce Committee Members and staff.

The National Rural Water Association is the country's largest public drinking water and sanitation supply organization with over 30,000 members. Safe drinking water and sanitation are generally recognized as the most essential public health, public welfare, and civic necessities. Reprint Policy: this report, including any portion, may be distributed publicly without permission or citation.

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