



Analysis for the States: Drinking Water and Wastewater Infrastructure Investments

The U.S. Senate and the Environmental Protection Agency (EPA) commit to investing over \$41 billion in clean drinking water and wastewater infrastructure improvements

Senate passes the “Drinking Water and Wastewater Infrastructure Act of 2021” investing \$35 billion in water infrastructure

On April 29, the U.S. Senate passed the [“Drinking Water and Wastewater Infrastructure Act of 2021”](#) (Bill) amending the Safe Drinking Water Act (enacted in 1974) and the Federal Water Pollution Control Act (enacted in 1948). The Bill is the first component of the Biden Administration proposals under the American Jobs Plan Act of 2021 to be acted upon by Congress. According to a [White House press release](#), investments in the nation’s water infrastructure are intended to improve the health outcomes of children and communities of color by replacing lead pipes and creating jobs to help lay transmission lines throughout the nation. The Bill would reauthorize existing funds as well as create new programs to support drinking water and wastewater infrastructure improvement projects. Funding to existing programs is broken down as follows:

- [Drinking Water State Revolving Fund](#) (DWSRF) and [Clean Water State Revolving Fund](#) (CWSRF) - \$14.65 billion each over the next five years.
- [Assistance for Small and Disadvantaged Communities Drinking Water Grant Program](#) - \$510 million over the next five years.
- **Drinking Water System Infrastructure Resilience and Sustainability** grant program - \$50 million annually.
- [Sanitary Sewer Overflow and Stormwater Reuse Municipal grant program](#) - \$280 million annually beginning in Fiscal Year 2022 and ending in Fiscal Year 2026. Municipalities would be required to allocate at least 25% of funds toward systems serving rural and/or disadvantaged communities.

The Bill also creates and allocates funding for new programs intended to support drinking water and wastewater infrastructure improvement projects. These programs and their funding allocations are as follows:

- **Lead Inventory Utilization Grant Pilot Program** - \$10 million.
- Initiatives to **address lead in school drinking water systems** - \$200 million over the next five years.
- **Drinking Water System Infrastructure Resilience and Sustainability** grant program - \$50 million annually through Fiscal Year 2026.



- **Clean Water Infrastructure Resiliency and Sustainability Program** - \$25 million over five years. The Clean Water Infrastructure Resiliency and Sustainability Program will supplement the Drinking Water System Infrastructure Resilience and Sustainability grant program to provide financing for resiliency projects such as conservation and supply augmentation projects¹.
- EPA-administered pilot program for eligible states, counties, and other units of local government to establish **water data information sharing systems** - \$15 million for each of fiscal years 2022 through 2026.

Further information on additional grant and loan programs created and/or reauthorized through the Bill can be accessed by [clicking here](#).

Under the Bill, the **EPA** also would be provided \$75 million annually, available through Fiscal Year 2026, for **research, investigations, training, and informational grants** authorized under Section 104 of the Clean Water Act. The Agency also would be required to analyze the history of funds distributed to disadvantaged and minority communities under the Safe Drinking Water Act and Clean Water Act. Furthermore, the EPA would be required to establish a Water Reuse Interagency Working Group to “develop and coordinate actions, tools, and resources to advance water reuse across the United States.”

The EPA announces allocation of \$6.5 billion in new funds for water infrastructure projects in Fiscal Year 2021

On April 27, the [EPA announced](#) the allocation of approximately **\$6.5 billion in new funding for water infrastructure projects, available through the agency’s [Water Infrastructure Finance and Innovation Act \(WIFIA\)](#) program and [State Infrastructure Financing Authority WIFIA \(SWIFIA\)](#) program**. According to EPA Administrator Michael S. Regan, investing in water infrastructure is intended to “better public health and environmental protection, job creation, and economic development.”

Established in 2014, the **WIFIA program** provides long-term, low-cost supplemental loans to regionally or nationally significant water infrastructure projects. Funds allocated to the **WIFIA will provide up to \$5.5 billion to support these water infrastructure projects**. The EPA has identified five priority areas for these funds:

- Support economically stressed communities.
- Protect water infrastructure against the impacts of climate change.
- Reduce exposure to lead and address emerging contaminants.
- Update aging infrastructure.
- Implement new or innovative approaches including cybersecurity and green infrastructure.

¹ Water supply augmentation projects include the enhancement of wastewater and stormwater management by increasing watershed preservation and protection as well as the enhancement of “energy efficiency or the use and generation of recovered or renewable energy in the management, treatment, or conveyance of wastewater or stormwater, among other things.”



Established in 2018, the **SWIFIA program** provides low-interest loans to state water infrastructure programs that help finance water infrastructure projects in local communities. The EPA will make approximately **\$1 billion available for borrowers** under the SWIFIA program.

The EPA started accepting letters of interest for WIFIA funds April 30, 2021 and will continue until July 23, 2021. Acceptance of letters of interest for SWIFIA funds began April 30, 2021 and will end June 25, 2021. For more information on these funding opportunities and how to apply, [click here](#).

- The notice of funding availability for credit assistance under the WIFIA program can be accessed by [clicking here](#).
- The notice of funding availability for credit assistance under the SWIFIA program can be accessed by [clicking here](#).