

The *Clean Water Exchange* is pleased to provide you with this *Action Alert*, providing updates on important legislative, regulatory, and legal issues affecting the clean water community.

House Stimulus Package Includes Significant Wastewater Funding

Yesterday, Congressman David Obey (D-Wisc.), Chairman of the House Appropriations Committee, released an executive summary and legislative language for the spending portion of the proposed Economic Recovery Package that the House Appropriations Committee will mark up next week. The *American Recovery and Reinvestment Act of 2009* is on the House Appropriations website and is available by [clicking here](#).

The overall infrastructure investment portion of the package is approximately \$63.5 billion with nearly 20% or approximately \$11.8 billion targeted for community water and wastewater infrastructure: \$6 billion for wastewater projects funded through the Clean Water State Revolving Fund (CWSRF), \$2 billion for drinking water projects funded through the Drinking Water State Revolving Fund, and \$3.8 billion for rural water and wastewater systems. In addition, the package includes \$500 million for western water supply projects, including water reuse projects, through the Bureau of Reclamation and \$400 million for watershed protection projects through the Natural Resources Conservation Service.

The breakdown of the \$6 billion for the CWSRF is as follows. Half of the funding is to be disbursed by the states as loans. States are required to use the additional 50 percent (\$3 billion) to provide assistance, "in the form of additional subsidization, including forgiveness of principal, negative interest loans, and grants, to municipalities (as defined in section 502 of such Act) for projects that are included on the State's priority list established under section 603(g)." Eighty percent of the grant money would be for projects "to benefit municipalities that meet affordability criteria as determined by the Governor of the State," and 20 percent for projects "to address water-efficiency goals, address energy-efficiency goals, mitigate stormwater runoff, or encourage environmentally sensitive project planning, design, and construction, to the extent that there are sufficient project applications eligible for such assistance."

Municipal organizations, including NACWA, WEF, and APWA worked to ensure that a significant portion of the overall infrastructure investment package is targeted to wastewater projects, including green infrastructure projects, with instructions for states to distribute 50 percent in the form of grants or grant-equivalents. This draft bill is a vital step in the recognition that the federal government is receiving the message that it must be a key partner in addressing the growing wastewater infrastructure funding gap.

Exchange Readers Asked to Make the Case for Grants

The water sector will continue to advocate strongly that funding for wastewater infrastructure projects remain a significant part of the overall stimulus package as it progresses through the House, the Senate, and the incoming Administration. It is also important for readers of the *Exchange* to continue to make the case with their Representatives and Senators that these funds be distributed in the form of grants.

Speaker of the House Nancy Pelosi (D-Calif.) has indicated that she wants to wrap up work on this package prior to the Presidents Day recess beginning February 9. The release of the House draft bill is only the beginning of the vital process of getting stimulus legislation passed and we must continue to advocate for the municipal position and build on this momentum!

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