

November 19<sup>th</sup>, 2021

**MEMORANDUM**

**TO:** Riviera Beach, Florida

**FROM:** Maurice Kurland, Partner  
Jeremiah Van Auken, Associate

**Subject:** Summary of Federal Funding Mechanisms for Water Infrastructure

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**Drinking Water State Revolving Fund (DWSRF) Program**

The DWSRF Program is a federal-state partnership that provides financial support to water systems and state drinking water programs by providing low-interest loans to entities planning, designing, or constructing public water facilities. The DWSRF Program receives annual capitalization grants from the Environmental Protection Agency (EPA), which are then allocated to projects throughout the state. State DWSRF offices develop ranking systems for projects based on human health risks, necessity to ensure compliance with the Safe Drinking Water Act, and assistance to facilities and areas in most need. Both public and privately-owned community water systems are eligible for project funding from the DWSRF program. Entities are eligible to receive funding for a 20-year period, or 30-year period if the entity qualifies as financially disadvantaged. Disadvantaged communities are defined as having a public water system that serves a population of less than 10,000 and those 10,000 people have a household income lower than the state average.

More information can be found [here](#).

The State of Florida's Department of Environment Protection (FDEP) administers the DWSRF program, and the FDEP contact for DWSRF application and implementation can be found [DWSRF Program | Florida Department of Environmental Protection](#)

**Clean Water State Revolving Fund (CWSRF) Program**

The CWSRF Program provides low-interest loans to organizations for planning, designing, or constructing water pollution control facilities. The CWSRF Program intends to fund projects that effectively treat wastewater, manage stormwater, as well as for estuary conservation, non-point source pollution management, and fix high priority public health and water quality concerns. Applicants are encouraged to have a project ready for construction, as planning and design loans typically take longer to get started. Priority will be given to projects that are the most environmentally beneficial. These projects will reduce public health hazards, protect groundwater, promote water reclamation and reuse, and enable compliance with pollution and toxin control. Programs are also encouraged to promote environmentally sound growth and support sustainable systems. Funds are made available in three different loan types; planning loans, design loans, and construction loans. Loan terms include a 20-year amortization and low-interest rates. Financing options are based on median household income, poverty index, unemployment index, but average 50% less of the market rate.

More information can be found [here](#).

The State of Florida's Department of Environment Protection (FDEP) administers the CWSRF program, and the FDEP contact for CWSRF implementation can be found <https://floridadep.gov/wra/srf/content/cwsrf-program>

### **Water Infrastructure Finance and Innovation Act (WIFIA)**

The Water Infrastructure Finance and Innovation Act of 2014 established a federal credit program administered by the Environmental Protection Agency for eligible water and wastewater infrastructure projects. The program is intended to fund clean water state revolving fund projects, drinking water state revolving fund projects, enhanced energy efficiency projects, seawater desalination projects, drought prevention and mitigation, property acquisition for environmental impact mitigation, or a combination of eligible projects. Eligible entities include local, state, tribal, and federal government entities, partnerships and joint ventures, and Clean Water and Drinking Water State Revolving Fund programs. Large communities are eligible to receive a minimum grant of \$20 million while small communities are eligible for a minimum grant of \$5 million.

More information on WIFIA can be found [here](#).

### **American Rescue Plan Act (ARPA) – Water/Sewer**

The \$1.9 trillion, American Rescue Plan Act, that passed back in March, provided \$350 billion for State and Local Fiscal Recovery. \$130.2 billion of that amount split between counties and municipalities with allocations based on population to every county and city. [Unlike the CARES Act, provided \$150 billion in aid only to counties or cities over 500,000 in population, and no specific requirement to sub-allocate to counties or cities with population less than 500,000.] The ARPA State and Local Fiscal Recovery Aid allocations to be distributed via 50% within the first year of enactment, and the remaining 50% the next year with all funds to be expended by 2024. The ARPA bill specifically provides as an eligible use – “to make necessary investments in water, sewer, or broadband infrastructure.”

### **“Infrastructure Investment and Jobs Act” - Water Provisions**

The \$1.2 trillion - Infrastructure Investment and Jobs Act – also known as the Bipartisan Infrastructure Deal (or Framework), encompasses a five-year reauthorization of transportation programs; along with funding for water infrastructure, electric vehicle charging stations, and broadband. The primary water program component is \$55 billion toward water and wastewater infrastructure including replacement of lead pipes. Of this amount, \$23.426 billion is directed to capitalize the drinking water and clean water revolving loan programs, with forty-nine per cent of those funds for grants or forgivable loans to disadvantaged communities. Separately, \$15 billion is in the bill to replace lead drinking and water service lines. Moreover, \$250 million is authorized for midsize and large water systems (population 10,000 or more) for an “infrastructure resilience and sustainability” grant program to plan, design, construct, implement, operate and maintain programs or projects that increase resilience to natural hazards and extreme weather events or reduce cyber security vulnerabilities.

### **Appropriations “Community Project Funding” requests – State and Tribal Assistance Grants**

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Each year, Congress must pass its 12 annual federal appropriations bills including the Interior and Environment Bill to fund the general operations of the Department of Interior and Environmental Protection Agency (EPA), that includes providing funding for the Drinking Water and Clean Water State Revolving Loan fund programs. Separately, after a ten year lapse in availability, Congress allowed for “community project requests” this year to be submitted by individual members for priority projects within their districts. [Note: there was a limitation of the submission of only ten projects in total; and individual Members of Congress could elect not to participate in submitting projects.] Among the types of projects that could be pursued were for water project funding. These Congressional Member requested projects funded in amounts ranging between \$250,000 and \$2 million, and if funded administered by the EPA as State and Tribal Assistance Grants.

Please let us know if you have questions or would like to discuss the direct application of any of the above described programs as part of the City’s planning, design, and construction of a new water treatment plant.