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AMWA Reacts to Drinking Water Funding in Economic Recovery Conference Agreement

Statement of Diane VanDe Hei, Executive Director, Association of Metropolitan Water Agencies:

The nation's drinking water utilities identified more than \$10 billion worth of infrastructure projects that could begin construction within a few months, so obviously we had hoped that the final appropriation in the conference report would come closer to this number. That being said, the stimulus bill will provide a \$2 billion boost to improve and upgrade the nation's drinking water infrastructure. This investment could directly create more than 17,000 construction jobs across the country while taking a small but necessary step toward addressing the \$276.8 billion drinking water investment gap estimated by EPA over the next twenty years.

AMWA is pleased that Congress responded to the association's request that funds be distributed to communities in a form other than loans that must be repaid with interest – and thus carry a smaller economic benefit. The conference report requires states to distribute at least fifty percent of their stimulus dollars to utilities in the form of principal forgiveness, negative interest loans, and grants. States are free to distribute as much as 100% of their stimulus funds in this form, and AMWA encourages them to do so.

Additionally, the conference report requires states to commit stimulus dollars to water projects that will be under contract or construction within twelve months of the bill's enactment – or else have the money reclaimed by EPA. We hope that this provision, in conjunction with language directing states to give funding preference to ready-to-go projects regardless of their priority ranking, will entice states to add urban projects to their priority lists. This will allow metropolitan areas to benefit from stimulus dollars while also helping ensure that no funds allocated to states for drinking water projects are unspent and reclaimed by EPA at the twelve-month deadline.

In particular, AMWA would like to thank the members of Congress – including Sen. Barbara Boxer, Sen. James Inhofe, Sen. Ben Cardin, and Rep. Gene Green – who fought on behalf of increasing drinking water funding in the stimulus legislation. We look forward to working with each of them in the future to ensure that the nation's drinking water infrastructure receives the investment and attention it requires.

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The Association of Metropolitan Water Agencies is an organization of the largest publicly owned drinking water suppliers in the United States.

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