

April 5, 2021

# AMWA urges Treasury to keep recovery dollars focused on water infrastructure

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AMWA signed a letter (<https://www.amwa.net/index.php/letter/letter-treasury-american-rescue-plan-implementation>) to Treasury Secretary Janet Yellen last week asking her department to follow Congress' direction for states and communities to spend an infusion of COVID-19 aid dollars on water and sewer infrastructure projects.

The American Rescue Plan Act signed into law last month included (<https://www.amwa.net/article/covid-19-package-carries-billions-dollars-aid-communities-low-income-water-ratepayers>) \$350 billion in aid for state, local, tribal, and territorial governments that may be used for several defined purposes, including for “necessary investments in water, sewer, and broadband infrastructure.” The Treasury Department will begin to distribute the funds by mid-May, and before that time is expected to issue guidance detailing precisely how the dollars may be spent.

However, stakeholder groups in the construction and transportation sectors have recently urged (<https://www.enr.com/articles/51496-construction-groups-seek-billions-in-rescue-act-aid-for-transpo-projects>) Treasury to broadly interpret the statutory language to allow states and localities to spend these funds on transportation infrastructure projects. Doing so would appear to contradict congressional intent, and it would also reduce the amount of funding available for water and wastewater projects.

The letter sent last week by AMWA, along with the American Water Works Association, the National Association of Clean Water Agencies, and the Association of California Water Agencies, referenced the expected financial impact of the pandemic on the water sector and asked Treasury to provide “clear guidance recognizing that infrastructure projects funded by states and localities with dollars from the fiscal recovery funds must focus on the

water, sewer, and broadband sectors.”

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