



March 31, 2021

The Honorable Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

Dear Secretary Yellen:

Our nation's water providers appreciate your strong leadership on the American Rescue Plan (ARP). During this critical time as the nation transitions toward economic recovery, the ARP provides significant relief to states and localities. As the Department of the Treasury prepares guidance on the measure's \$350 billion state and local government fiscal recovery fund and \$10 billion capital projects fund, the undersigned water organizations urge you to ensure the legislation's specific emphasis on providing funding for "necessary investments in water, sewer or broadband infrastructure" is maintained.

Water agencies worked tirelessly during the pandemic to ensure their residents continued to have access to safe and reliable water services. The need for water sector relief following the pandemic is significant. An April 2020 study by the American Water Works Association (AWWA) and the Association of Metropolitan Water Agencies (AMWA) indicated water providers are facing increasing financial difficulties due to the COVID-19 pandemic.

The study states:

The results of the assessment indicate that the aggregate financial impact of COVID-19 on drinking water agencies will likely be approximately \$13.9 billion, representing an overall 16.9 percent financial impact on the drinking water sector...Due to these financial impacts, drinking water agencies across the nation are anticipated to delay and reduce capital expenditures by as much as \$5 billion (annualized) to help manage cash flows due to the crisis.

The financial impact of the COVID-19 crisis on water and wastewater agencies combined is estimated to exceed \$27 billion.¹

This nationwide reduction in water revenues highlight the opportunity presented by ARP's state and local fiscal recovery fund to help with operational challenges. The ability to use the recovery funding for needed water and wastewater capital improvement projects will help relieve the ratepayer's burden and provide public health

¹ [AWWA/AMWA Report: The Financial Impact of the COVID-19 Crisis on U.S. Drinking Water Utilities, April 14, 2020](#)

benefits well beyond the pandemic. As such, providing 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 will be critical to ensuring funds are used expeditiously and with maximum impact.

Thank you for your attention to this request.

Sincerely,

Diane VanDe Hei
CEO
Association of Metropolitan Water Agencies

G. Tracy Mehan III
Executive Director, Government Affairs
American Water Works Association

Adam Krantz
CEO
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