



ACEC

AMERICAN COUNCIL OF ENGINEERING COMPANIES

ACEC-MASSACHUSETTS

**“Water Infrastructure Funding: What’s
in the Pipeline?”**

February 24, 2010

Key ACEC Environment & Energy Priorities

- **Secure multi-year water infrastructure funding legislation.**
- **Support additional “stimulus/jobs” funding for water and energy infrastructure projects.**
- **Secure adequate annual appropriations funding for water and wastewater programs.**
- **Support funding for infrastructure adaptation measures in any climate change/cap-and-trade legislation**

Water Infrastructure Funding

■ Progress to date:

- H.R. 720, authorized \$14 billion under the Clean Water SRF program, bill passed House 303-108.
- S. 1005 authorizes \$19.6 billion for the Clean Water SRF and \$15.7 billion for the Drinking Water SRF. The bill passed the Senate Environment & Public Works Committee; awaiting floor action for the last year.
- Both bills:
 - Mandate QBS for SRF-funded projects (Senate bill carved out local governments under 10,000 pop. that are not covered by a state QBS requirement).
 - Extend Clean Water SRF loans to 30 years or design life of the project.
 - States may forgive loan principle or provide a negative interest rate for loans to “disadvantaged communities.”

Economic Stimulus I (ARRA)

- **Environmental Protection Agency, Office of Water**
 - Clean Water SRF \$4 billion
 - Drinking Water SRF \$2 billion
- **U.S. Army Corps of Engineers**
 - Civil Program \$2 billion
- **Department of Agriculture, Rural Utilities Service**
 - Water and wastewater grants & loans \$3.8 billion

ARRA Distribution -- Massachusetts

(2/15/2010)

Clean Water SRF -- \$127,735,008

- **100% of Construction Started***
- **0% of Construction Completed**
- **40.8% of Projects Classified as "Green Infrastructure"**
- **Drinking Water SRF -- \$50,127,360**
- **100% of Contracts Executed**
- **100% of Construction Started***
- **0% of Construction Completed**
- **24.1% of Projects Classified as "Green Infrastructure"**

*** Work started on the first contract funded with ARRA dollars**

“Stimulus II”/Jobs Bill

■ **House-passed bill**

- \$1 billion for the Clean Water SRF
- \$1 billion for the Drinking Water SRF.

■ **Senate bill**

- First week in February, Senate Democrats released a “Democratic Jobs Agenda”, which included “investments in water infrastructure,” with no numbers attached.
- Subsequently, scaled back to exclude any infrastructure fund.
- Some discussion of an infrastructure piece in a future overall “jobs package” but no progress so far.

Appropriations – FY '11

Environmental Protection Agency – Water Infrastructure

- Clean Water SRF - \$2 billion, approx. \$100 million less than current year
- Drinking Water SRF - \$1.287 billion, approx. \$100 million less

Dept. of Agriculture – Rural Water & Wastewater Projects

- “Flat Funding” for USDA grant and loan program at \$1.6 billion

U.S. Army Corps of Engineers – Civil Works

- \$4.9 billion, a 9.3% cut from current year funding.
 - Investigations \$104 million, a cut of 35%
 - Construction \$1.7 billion, a cut of 16.8%
 - Operations and Maintenance \$2.4 billion, a cut of 1.6%

Proposed Legislation

HR 537: “Sustainable Water Infrastructure Investment Act”

- Exempts water and wastewater projects from state private activity bond volume cap
- Provides an incentive for private capital to invest in public infrastructure programs
- Has 36 co-sponsors to date; none from MA

HR 3202: “Water Protection & Reinvestment Act”

- Creates a \$10 billion Trust Fund for water and wastewater projects, with funds directly primarily to CWSRF and DWSRF
- Establishes new taxes on water-based beverages, “flushable” products, pharmaceuticals, and corporate income tax.
- 29 co-sponsors, including Jim Delahunt. Mike Capuano, on T & I Committee is key target.

Proposed Legislation, cont'd.

H.R.2521, "National Infrastructure Development Bank Act"

- **Loans, grants, other assistance to "projects", including environmental infrastructure, energy infrastructure, transportation, and telecommunications**
- **Projects must be owned or leased by "entities", i.e., "an individual, corporation, partnership (including a public-private partnership), joint venture, trust, and a State or other governmental entity"**
- **Eligibility for assistance is based on criteria set by the Bank's Board of Directors**
- **46 co-sponsors, including Barney Frank, Stephen Lynch, John Tierney and Jim McGovern**

Water Resources Development Act (WRDA)

- **New WRDA bill under discussion, but unlikely this year.**

- **ACEC seeking several policy changes, including:**
 - **Adopt a finalized USACE Engineering Technical Letter (ETL) “Certification of Levee Systems for the National Flood Insurance Program” as the standard guidance and standard of care for public and private projects.**

 - **Address liability protection for engineering firms that perform levee certification services, provided that they meet the USACE and FEMA standards of care.**

 - **Replace the current levee certification process with a risk-based approach to flood protection.**

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