

**POSITION
of the
WESTERN STATES WATER COUNCIL
regarding the
CLEAN WATER STATE REVOLVING FUND
and the
DRINKING WATER STATE REVOLVING FUND**

**Santa Fe, New Mexico
April 15, 2011**

WHEREAS, the economies of every state and the Nation as a whole depend upon sufficient water supplies of suitable quality, which require adequate water and sewer infrastructure; and

WHEREAS, the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund and Drinking Water State Revolving Fund (SRF programs) provide states with capitalization grants that are leveraged with state contributions to offer financial assistance to cities, towns, communities, and others for the planning, design, construction and rehabilitation of drinking water and wastewater-related infrastructure; and

WHEREAS, both SRF programs are administered by each State in coordination with EPA, and these programs are one of the principal tools that states use to pursue the goals of the Clean Water Act and Safe Drinking Water Act; and

WHEREAS, the Nation's wastewater and drinking water infrastructure is aging and in need of repair and replacement; and

WHEREAS, public investment in water infrastructure yields significant economic benefits, as evidenced by U.S. Department of Commerce estimates that one dollar invested in water infrastructure generates \$2.62 in economic output in other industries and that each job created in the local water and sewer industry creates 3.68 jobs in the national economy; and

WHEREAS, the Environmental Protection Agency (EPA) estimates a total capital investment need of \$298.1 billion for water quality infrastructure and \$334.8 billion for drinking water infrastructure nationwide over the next 20 years; and

WHEREAS, the EPA has identified a significant funding gap under current spending and operation practices; and

WHEREAS, federal budget requests that propose significant reductions in SRF funding ignore the multitude of needs as identified by EPA, particularly given that many states and communities are struggling to meet their water and wastewater challenges in the face of growing populations and aging infrastructure; and

WHEREAS, to the extent federal law has established certain nationwide levels of treatment for drinking water and wastewater, the federal government has an obligation to provide states with the necessary financial and technical assistance needed to comply with such requirements, including the appropriation of adequate funding for SRF capitalization grants; and

WHEREAS, EPA's Clean Water and Drinking Water Infrastructure Sustainability Policy burdens state SRF programs with the exclusive responsibility of promoting sustainable systems; and

WHEREAS, the SRF Programs already have measures in place to ensure system sustainability and which account for individual state needs and priorities, making the SRF programs one of the most successful delivery mechanisms for federal assistance; and

WHEREAS, every federal dollar that EPA directs away from addressing the primary goal of the SRF programs – addressing public health and water quality protection – reduces the capacity of a state to leverage their programs and address infrastructure needs; and

WHEREAS, the more federal requirements that are placed on State SRF programs the less attractive the SRFs become to local entities.

NOW, THEREFORE, BE IT RESOLVED, that the Administration and Congress should work together to ensure that stable and continuing federal appropriations, increased annually by a construction inflation index, are made to the SRF capitalization grants at funding levels that are adequate to help states address their water infrastructure needs; and

BE IT FURTHER RESOLVED, that the SRF programs should provide for greater flexibility and fewer restrictions on state SRF management.