



Protecting Water Quality through the Clean Water and Safe Drinking Water Revolving Funds

Our nation's water infrastructure is in peril. The networks of pipes and facilities that bring clean water to our tap and treat and deliver used water back to rivers, lakes and streams is decaying after decades of neglect. Experts indicate that 25 percent of our water infrastructure is already beyond its useful life, leading to more frequent structural failures. Further, the capacity of sewer systems and treatment plants is often insufficient to handle both wastewater and stormwater flows. Water and wastewater infrastructure is vital to our environment, public health and safety, and economy, yet these buried assets – and their deteriorating condition – are largely “out of sight, out of mind.”

Our aging wastewater infrastructure allows the release of partially or wholly untreated sewage into local waterways every year. The majority of this untreated sewage comes from combined and sanitary sewer overflow systems (CSOs and SSOs), which release untreated wastewater into rivers and streams during storms when the volume of water flowing into these facilities exceeds their capacity. This is a particularly significant problem in the Great Lakes region. The International Joint Commission estimates that 70 percent the nation's CSOs are in the eight Great Lakes states.ⁱ The American Society of Civil Engineers estimates that the 20-year drinking water infrastructure investment need for the eight Great Lakes states at \$75.72 billion. This same report estimates a \$71.84 billion shortfall for wastewater infrastructure in the eight Great Lakes states. More than 50 percent of this cost is for correcting combined sewer systems.ⁱⁱ

Fortunately, programs exist that can provide solutions to these problems. The Clean Water State Revolving Fund (CWSRF) provides annual funding to states for wastewater treatment, nonpoint source pollution control, and watershed and estuary management. Similarly, the Drinking Water State Revolving Fund (DWSRF) provides annual funding to states for drinking water treatment, storage facilities, transmission and distribution systems, and consolidation of systems. Through these SRF programs, each state maintains revolving loan funds to provide independent and permanent sources of low-cost financing for water quality protection projects. A continuous, high level of funding for these programs will help address the multi-billion dollar investment need to fix failing drinking water and wastewater infrastructure.



Sewer pipe, © James McQuillan.

Request: The Great Lakes Commission calls on Congress to provide \$2.7 billion for the Clean Water SRF and \$1.4 billion for the Safe Drinking Water SRF for FY 2011. Additional funding should be included in any new job creation legislation adopted by Congress. It is important to note that the Great Lakes Restoration Initiative does *not* fund the SRF programs.

Progress to Date

Since passage of the Clean Water Act and the Safe Drinking Water Act, great progress has been made toward restoring the nation's waters and protecting human health and the environment. States, local governments, nonprofit organizations and others continue to receive financial assistance through these flexible federal programs that are designed to address current and future water pollution control challenges. The SRF programs provide an effective, national approach to funding water projects. Furthermore, SRF programs are critical to the successful implementation of the *Great Lakes Restoration Strategy*.

The *Great Lakes Restoration Strategy* also recommends that federal water infrastructure funding give “priority to projects that pursue sustainable development.” Land acquisition to protect water supplies is one sustainable approach to managing and

protecting drinking water sources. Green roofs, tree boxes, rain gardens, vegetated swales, constructed wetlands, infiltration planters, and vegetated median strips are additional examples of “green infrastructure” that provide a more sustainable approach to stormwater management. These mechanisms take advantage of nature’s filtering capacity to reduce demands on – and the costs associated with – building and operating man-made treatment plants. Requiring a certain percentage of funds to be used for green infrastructure or water efficiency projects, as was done in the 2009 American Recovery and Reinvestment Act (ARRA), is a useful model to promote green infrastructure in future federal legislation and appropriations.

In addition to funding provided through FY 2010 appropriations, the ARRA provided an additional \$4 billion for the CWSRF and \$2 billion for the DWSRF, from which the Great Lakes states received a total of nearly \$2 billion. While important, this is just a fraction of the \$148 billion needed to fully upgrade drinking water and wastewater infrastructure in the Great Lakes region. Regular annual appropriations for these programs are needed to address this gap. For FY 2011, President Obama has included \$2 billion for the CWSRF and \$1.287 billion for the DWSRF in his budget proposal.

Funding History

Water Quality and Human Health Priority	Fiscal Year Funding <i>(in millions of dollars)</i>					
	2006	2007	2008	2009	2010	GLC Request
Clean Water SRF (Great Lakes States Allocation)	\$886.8 (\$322.0)	\$1,083.8 (\$393.6)	\$689.0 (\$250.2)	\$689.0 (\$250.2)	\$2,100.0 (\$762.5)	\$2,700.0 (\$980.3)
Drinking Water SRF (Great Lakes States Allocation)	\$837.5 (\$193.3)	\$837.5 (\$193.2)	\$829.0 (\$191.4)	\$829.0 (\$191.4)	\$1,387.0 (\$341.3)	\$1,400.0 (\$344.5)

Committee Jurisdiction

House Appropriations Subcommittee on Interior, Environment, and Related Agencies
Senate Appropriations Subcommittee on Interior, Environment, and Related Agencies

Economic and Environmental Benefits

The SRF programs allow states the flexibility to fund projects that will address high priority water infrastructure needs. While traditionally used to build or improve treatment plants, loans are increasingly used for agricultural, rural, and urban runoff control; estuary improvement projects; wet weather flow control, including stormwater and sewer overflows; alternative treatment technologies; and water reuse and conservation projects. In addition to financial savings from low to no-interest loans, loan recipients can realize significant environmental benefits, including protection of public health and conservation of local watersheds. In the Great Lakes region, reducing sewage discharges will also help prevent public health risks from bacterial contamination of beaches and drinking water. Building and maintaining water and sewer infrastructure also provides jobs for millions of Americans. U.S. EPA reports that every federal dollar spent in the CWSRF program results in \$0.73 in additional clean water expenditures from state contributions and fund earnings. Restoring and fully funding the SRF programs will benefit the environmental and economic health of the Great Lakes region while helping local communities address the urgent infrastructure needs they are facing.

More Information

USEPA Clean Water State Revolving Fund: www.epa.gov/owm/cwfinance/cwsrf

USEPA Drinking Water State Revolving Fund: <http://www.epa.gov/safewater/dwsrf>

ⁱ International Joint Commission. 2009. 14th Biennial Report on Great Lakes Water Quality. <www.ijc.org/php/publications/ID1631.pdf>

ⁱⁱ American Society of Civil Engineers. 2009. Report Card for America’s Infrastructure. <www.infrastructurereportcard.org>