

# Water is a **BIG DEAL.** Let's treat it like one.



## Key measures to encourage private investment in water and wastewater infrastructure:

- Encourage Regionalization
- Lift Caps on PABs
- Eliminate Defeasance Penalty
- **Expand Eligibility of SRFs**
- Incentivize Low-Income Programs

## EXPAND ELIGIBILITY OF LOW-INTEREST PROGRAMS

Eliminating the restriction that CWSRF loans can only be made to publicly-owned water systems is likely to encourage **private investment** for necessary infrastructure upkeep and construction. Preliminary estimates by PricewaterhouseCoopers indicate that taking this action along with other regulatory changes could lead to an additional **\$43 billion** incremental private water infrastructure investment; **\$15-25 billion** incremental private wastewater infrastructure investment; and generate **\$20 billion** potentially from P3s.

### How it supports increased investment

Making Clean Water State Revolving Fund (CWSRF) loans available to private water utilities leverages federal investment in water and wastewater systems with private capital and expertise.

### The cost benefit

Private partners are frequently tapped by state regulators to help communities implement complex and innovative wastewater projects or to help communities bring their systems into compliance. They should therefore be provided access to the same financial resources as publicly-owned systems.

The NAWC is the voice of the private water service industry—the organization exclusively representing this group of quality water service providers, innovation drivers, creative financiers and responsible partners. We believe by working together with local governments and communities we can leverage our strengths to effectively address the opportunities and challenges facing our nation. We're moving water forward. For more information, visit [www.nawc.org](http://www.nawc.org).



# EXPAND ELIGIBILITY OF LOW-INTEREST PROGRAMS

## CWSRF

With the passage of the 1987 amendments to the Federal Water Pollution Control Act (commonly referred to as the "Clean Water Act" or "CWA"), the U.S. Congress replaced the long-standing federal Construction Grants program with the Clean Water State Revolving Fund (CWSRF) program. The CWSRF program is available to fund a wide variety of water quality projects including all types of non-point source, watershed protection or restoration, and estuary management projects, as well as more traditional municipal wastewater treatment projects.

Since its inception the CWSRF Program has provided \$68 billion to water pollution control projects and is widely viewed as a successful partnership between federal and state governments in addressing important environmental problems.

## DWSRF

Similarly, the Safe Drinking Water Act, as amended in 1996, established the Drinking Water State Revolving Fund (DWSRF) to make funds available to all drinking water systems, regardless of ownership, to finance infrastructure improvements. The program emphasizes providing funds to small and disadvantaged communities and to programs that encourage pollution prevention as a tool for ensuring safe drinking water.

## ELIGIBILITY

There is a significant difference between the two revolving funds related to entities eligible to receive funding. Under current law, private water service providers are not eligible for the CWSRF. This disparity prevents private water and wastewater service providers from leveraging federal investment in wastewater with private capital and expertise. In addition, while private water service providers have been eligible under the DWSRF since 1994, a number of states do not allow their participation in the program. The availability and use of SRF low-interest loans promotes effective and viable water and wastewater systems and therefore, any unreasonable barriers to their full utilization should be removed.

Similar proposals have gained bipartisan support in previous iterations. On May 14, 2009, the Senate Environment and Public Works Committee passed S. 1005, the Water Infrastructure Financing Act, which would make investor-owned utilities completely eligible for all CWSRF assistance. Associations, such as The National Association of Regulatory Utility Commissioners (NARUC) previously have supported this provision.



## POLICY NEEDED

### Amend Section 603 of the Federal Water Pollution Control Act.

Congress should amend Section 603 of the Federal Water Pollution Control Act (33 U.S.C. 1383) by striking subsection (c)(1) and inserting the following:

*"to a municipality or an intermunicipal, interstate, or State agency or a private treatment works or decentralized wastewater system that principally treats municipal wastewater or domestic sewage"*

Congress should ensure that states allow private water service providers to have access to the CWSRF.

**For more information, contact NAWC at 202-833-8383/  
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