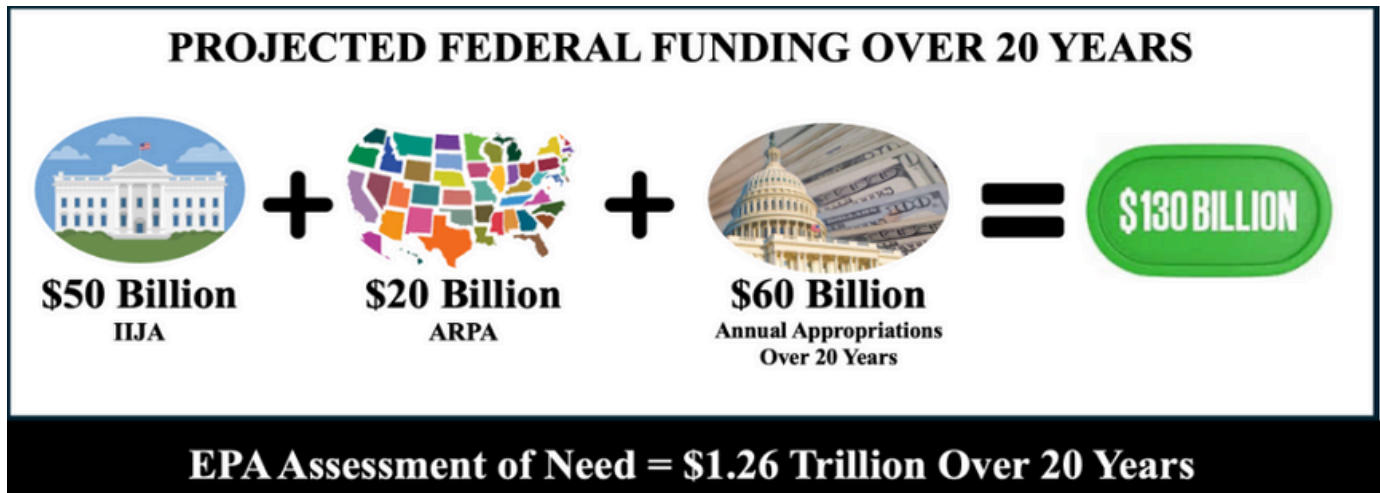


# Limited Federal Funding = Customers as Primary Funder of Critical Water Infrastructure Investments

According to the EPA, \$1.26 trillion needs to be invested in water and wastewater infrastructure over the next 20 years – or \$63 billion per year – to ensure safe drinking water and to protect local waterways. With federal funding limited, this critical infrastructure is largely being funded through customer bills.



## Water Infrastructure Need is \$1.26 Trillion Over 20 Years

In 2023 and 2024, the EPA released two key reports: the 7th Drinking Water Infrastructure Needs Survey and Assessment (DWINSA) and the 2022 Clean Watersheds Needs Survey (CWNS).

- The DWINSA calculated that nationwide drinking water infrastructure needs were \$629.1 billion over 20 years, or nearly \$31.5 billion annually.
- The CWNS found that nationwide wastewater infrastructure needs were \$630.1 billion over 20 years, or just over \$31.5 billion annually – and that its analysis “likely underestimates the true nationwide need.”

## Federal Dollars Cover Just One-Tenth of Total Need

- The Infrastructure Investment and Jobs Act (IIJA) of 2021 allocated \$50 billion for water infrastructure needs over five years. While this level of funding was unprecedented, it covers just 4% of the total 20-year identified need.
- States allocated about \$20 billion in flexible, one-time federal funding from the American Rescue Plan Act (ARPA) to water infrastructure needs.
- Typical federal appropriations amount to roughly \$3 billion per year combined for drinking water and wastewater infrastructure via the State Revolving Fund programs.
- All combined federal funding will cover about 10% of the 20-year infrastructure need identified by EPA absent additional allocations.

Federal funding will cover just 10% of the 20-Year infrastructure need identified by EPA absent additional allocations. The EPA, the Association of Metropolitan Water Agencies, The Brookings Institution, the Pew Charitable Research Fiscal Policy Project, and others all warn that customers end up being the primary funder of critical water infrastructure, investments contributing to affordability challenges.