

**American Recovery & Reinvestment Act of 2009 (P.L. 111-5)**

**Water Infrastructure**

President Obama signed the American Recovery & Reinvestment Act of 2009 (ARRA) on February 17 (P.L. 111-5). ARRA allocates a total of \$787.2 billion to states and federal agencies through a variety of spending and revenue measures, which are designed to stimulate the economy. Approximately \$13 billion of this total is targeted for investments in water infrastructure. The following provides an outline of water infrastructure funds in ARRA, including a description of the programs, potential recipients of funds, and how interested parties may pursue funding allocated in the Act.

**Army Corps of Engineers**

**Construction:** \$2 billion

The Secretary of the Army is authorized to use the funds for the construction of new and pre-existing projects. \$200 million is allocated for water-related environmental infrastructure assistance.

Potential Recipients: USACE commands. Contracts may be awarded by USACE to private entities to conduct work related to funded projects.

How to Secure Funds: Solicitations for contracting opportunities will be issued by the USACE as needed. State and local governments with an interest in a project(s) should be reaching out to USACE district offices and headquarters in support of project(s).

**Operations & Maintenance:** \$2.075 billion

The Secretary of the Army is authorized to use the funds for the operation and maintenance of new and preexisting projects.

Potential Recipients: USACE commands. Contracts may be awarded by USACE to private entities to conduct work related to funded projects.

How to Secure Funds: Solicitations for contracting opportunities will be issued by the USACE as needed. State and local governments with an interest in a project(s) should be reaching out to USACE district offices and headquarters in support of project(s).

**Mississippi River and Tributaries:** \$375 million

The Secretary of the Army is authorized to use the funds for flood control projects. There are no total project cost limitations.

Potential Recipients: USACE commands with the Mississippi River and/or its tributaries in its district. Contracts may be awarded by USACE to private entities to conduct work related to funded projects.

How to Secure Funds: Solicitations for contracting opportunities will be issued by the USACE as needed. State and local governments with an interest in a project(s) should be reaching out to USACE district offices and headquarters in support of project(s).

**Department of the Interior – Bureau of Reclamation Water & Related Resources: \$1 billion**

The Bureau of Reclamation (BOR) will distribute grants and loans for the development and construction of rural drinking water, water intake, and water treatment facility projects.

Potential Recipients: State governments, municipalities, and water districts in BOR regions (western U.S.). Contracts are likely to be awarded by recipients to private entities to conduct work related to funded projects. Priority will be given to existing BOR-authorized projects in BOR regions.

How to Secure Funds: The BOR will be issuing solicitations for requests to distribute the grant and loan funds. Interested parties should be reaching out to BOR offices in support of projects.

**Environmental Protection Agency**

**Clean Water State Revolving Fund: \$4 billion**

The Environmental Protection Agency (EPA) will distribute the funds to states and tribes through formula grants for the purpose of conducting maintenance, repairs, and upgrades to wastewater treatment systems and for the construction of new projects. States must subsidize at least 50% of their grants and at least 20% of the grants must go toward green infrastructure. Projects must also begin construction within 12 months.

Potential Recipients: On March 2, the EPA allocated grant and loan funding to State Revolving Funds (SRF) by formula. SRFs may obligate funds to local governments, wastewater treatment facilities, state/interstate agencies, qualified nonprofits, and tribes. Funds cannot be used for the purchase of land or easements.

How to Secure Funds: Interested parties should reach out to their SRF Administrator to ensure their projects are included on their state's priority list. Priority will be given to these projects in the obligation of funds. Parties should also reach out to EPA regional offices and/or headquarters in support of projects.

**Drinking Water State Revolving Fund: \$2 billion**

EPA will distribute the funds to states and tribes through competitive grants for the purpose of upgrading and constructing drinking water infrastructure. States must subsidize at least

50% of their grants and at least 20% of the grants must go toward green infrastructure. Projects must also begin construction within 12 months.

Potential Recipients: On March 2, EPA allocated grant and loan funding to SRFs by formula. SRFs may obligate funds to local governments, wastewater treatment facilities, state/interstate agencies, qualified nonprofits, and tribes. Funds cannot be used for the purchase of land or easements.

How to Secure Funds: Interested parties should reach out to their SRF Administrator to ensure their projects are included on their state's priority list. Priority will be given to these projects in the obligation of funds. Parties should also reach out to EPA regional offices and/or headquarters in support of projects.

### **Department of Agriculture**

#### **Natural Resources Conservation Service – Watershed and Flood Prevention Operations Program: \$290 million**

The National Resources Conservation Service (NRCS) will distribute funds as competitive loans for the purchase and restoration of floodplain easements and for investment in structure and non-structural watershed infrastructure improvements. Priority will go to projects that most cost-effectively provide the greatest public safety, flood protection, economic, and environmental benefits.

Potential Recipients: Sponsoring local organizations of watershed projects.

How to Secure Funds: Interested parties should reach out to NRCS in support of projects.

#### **Natural Resources Conservation Service – Watershed Rehabilitation Program: \$50 million**

The National Resources Conservation Service will distribute funds as loans for the rehabilitation of aging flood control infrastructure. Priority will go to projects that can obligate and expend funds both cost effectively and rapidly and are able to be fully funded under this program.

Potential Recipients: Sponsoring local organizations of watershed projects.

How to Secure Funds: Interested parties should reach out to NRCS in support of projects.

#### **Rural Utilities Service: \$1.38 billion**

The Rural Utilities Service (RUS) will distribute funds to state and local governments through competitive loans and grants for the upgrade and construction of rural drinking water and wastewater systems. 10% of all grants and loans must be allocated to persistent poverty counties.

Potential Recipients: Rural municipalities, counties, water districts, qualified nonprofits, and tribes. Priority is given to projects pending with RUS. On March 9, the Department of Agriculture announced the release of over \$400 million in grant funds and \$140 million in direct loans for water and wastewater projects.

How to Secure Funds: RUS will continue to allocate stimulus funds to qualified pending projects. RUS will be issuing solicitations for requests for grant and loan funding should funding become available for new projects. Interested parties should reach out to RUS in support of new or pending projects.

**For additional information about the ARRA, visit [www.klgates.com/practices/stimulus](http://www.klgates.com/practices/stimulus).**