



Invest in Water, Invest in America

As representatives of the nation's water sector, we appreciate the tremendous support Congress has given in recent years to communities striving to rehabilitate and upgrade their water infrastructure. That support needs to be sustained to ensure that the goal of achieving modern, resilient, and affordable drinking water, wastewater, water reuse, and stormwater systems continues to make advances across America. Local water management is a national security issue since it protects communities and the federal government from the impact of extreme weather events, economic uncertainty, and provides environmental and public health benefits.

Funding Requests

Congress should fund clean water, stormwater, water reuse, and water research programs at the following levels in the FY27 Budget:

Clean & Drinking Water Programs

- \$3.25 billion for Clean Water State Revolving Fund (*IIJA authorized level*)
- \$3.25 billion for Drinking Water State Revolving Fund (*IIJA authorized level*)
- Minimum of \$75 million for Water Infrastructure Finance & Innovation Act (WIFIA)
- \$280 million for Sewer Overflow and Stormwater Reuse Municipal Grants (OSG) program (*IIJA authorized level*)
- \$5 million for Water Infrastructure and Workforce Investment Grant Program (*IIJA authorized level*)
- \$27 million for the EPA Small POTW Technical Assistance Program (*level with FY25 funding*)
- \$100 million for Reducing Lead in Drinking Water Grants
- \$50 million for the Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program
- \$50 million for the Clean Water Infrastructure Resilience and Sustainability Program*

Stormwater Programs

- \$5 million for the establishment of 5 Centers of Excellence for Stormwater Control Infrastructure Technologies
- \$10 million for community planning and implementation grants for stormwater or watershed-based planning investments*

Water Reuse Programs

- \$10 million for the Alternative Water Source Grants Pilot program
- \$41 million for the Title XVI Water Reclamation and Reuse Grants Program

Water Research Programs

- \$10 million for EPA's National Priorities Water Research Grant Program, independent of the Science to Achieve Results (STAR) grant program for extramural water research grants to not-for-profit organizations
- \$5 million for the Innovative Water Technologies Grant Program through EPA's Science and Technology Account

*program has not yet received initial funding

Policy Requests

Reauthorization of SRFs and other Water Infrastructure Programs: Local utilities nationwide have looked to the SRF to help finance water projects since 1987. In recent years, the Fund has also become a major source of Congressionally-directed spending, which underscores both the popularity of clean water investment and the need to provide a robust authorization to maintain a strong revolving program.

The Ask: *Congress must reauthorize the SRFs and other water infrastructure programs through 2031 at or above the current authorization levels before the 2026 Fiscal Year ends.*

PFAS: Hold PFAS generators, and not local water utility ratepayers, responsible for the costs of remediating PFAS. Explain that water systems will be meeting or exceeding forthcoming Clean Water Act and Safe Drinking Water Act PFAS standards. CERCLA protections for water systems will *aid in those efforts* by protecting utilities and customers from undue costs that PFAS generators should bear.

The Ask: *Co-sponsor and support H.R. 1267, the Water Systems PFAS Liability Protection Act, by Rep. Gluesenkamp Perez (D-WA) and Rep. Celeste Maloy (R-UT) so that public and private drinking water, wastewater, stormwater and water reuse systems will be protected from CERCLA liability. Companion legislation for the Senate is under development but not ready for co-sponsorship yet.*

Wipes: Congress should require Do Not Flush labeling on non-flushable wipes packaging.

The Ask: *Representatives vote for the Senate-passed Wastewater Infrastructure Pollution Prevention and Environmental Safety Act (WIPPES Act), S. 1092, when it's on the House Floor soon.*

Tax-Exempt Muni Bonds: Proposals are circulating on and off the Hill to eliminate the tax-exempt status of municipal bond to help pay for a second Reconciliation Package in 2026.

- Municipal bonds lower state and local borrowing costs efficiently.
- As of January 2025, there were more than \$3.5 trillion in active municipal bonds from more than 50,000 local government agencies – including nearly \$130 billion worth of bonds supporting water infrastructure projects.
- Municipal bonds fund roughly 80% of local water infrastructure investments annually.
- Fully taxing municipal bond interest would increase communities' debt service costs by 25%!

The Ask: *Urge Members of Congress to oppose the elimination of the tax-exempt status of municipal bonds in potential Reconciliation legislation.*

Investment Tax Credit for Water Reuse: The bill will establish a 30% tax credit for investments made by private businesses into water reuse systems, both onsite systems and municipal systems.

The Ask (House): *Cosponsor the Advancing Water Reuse Act (H.R. 2940), sponsored by Representatives Darin LaHood (R-IL), Claudia Tenney (R-NY), Brad Schneider (D-IL), and Linda Sánchez (D-CA)*

The Ask (Senate): *Cosponsor Senate companion to H.R. 2940 when introduced.*

Low-Income Household Water Assistance Program (LIHWAP): Congress needs to authorize and fund a permanent federal water assistance program.

The Ask: *Co-sponsor H.R. 4733, the Low-Income Household Water Assistance Program (LIHWAP) Establishment Act, introduced in the House by Reps. Eric Sorensen (D-IL) and Dan Bresnahan (R-PA), which establishes a permanent water assistance program at HHS. Companion legislation by Sen. Alex Padilla (D-CA) for the Senate is under development but not ready for co-sponsorship yet.*