

Issue Brief
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Revolving fund critical to ensuring safe drinking water

One of the most important federal water issues for public utility districts is continued funding for the “State Revolving Loan Fund” (SRF) authorized by the Safe Drinking Water Act.

Congress reauthorized the act in 1996 with broad bipartisan support and the backing of various stakeholder groups, including PUDs and other water utilities. The revolving loan fund was a key provision in financing critical water-system improvements.

For FY 2010, the SRF appropriation was \$1.387 billion. Washington’s share was \$35.65 million.

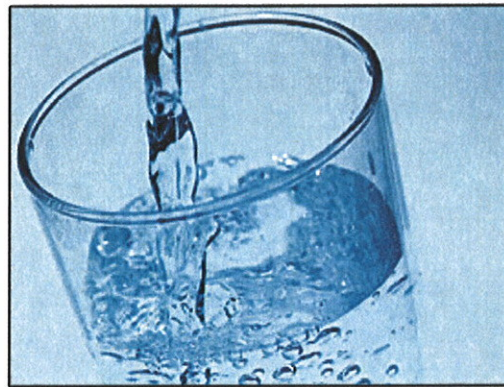
For FY 2011 the Obama administration proposes \$1.3 billion for the SRF. Washington’s share would likely be less than \$34 million.

According to the U.S. Environmental Protection Agency, water systems in our state are in need of improvements totaling more than \$6.6 billion. Of this, \$404.5 million is necessary to ensure compliance with SDWA regulations. Successful implementation of the Safe Drinking Water Act requires ongoing support from Congress for the state revolving loan fund.

Utilities have asked Congress to appropriate at least \$15 billion for the state revolving loan fund over the next five years to help pay for water system improvements and security upgrades.

As much of this money as possible should go directly to water-system projects. The Safe Drinking Water Act authorizes use of SRF funds to pay for other EPA regulatory activities, but this limits the amount available for water-system projects.

We also urge Congress to provide oversight to ensure the terms and conditions of drinking-water loans and grants are reasonable for participating water systems.



The paperwork burden of applying for and administering the loans has deterred many water systems, especially those with limited staff, from requesting funds.

Administrative costs have also become a burden for the state departments of Health and Community, Trade & Economic Development, which issue and manage these loans.

We urge the Washington delegation to support appropriating the full amount authorized for the revolving loan fund and streamlining administration of the program to make it more useful for large and small water systems.