[Date]

[Name – See member list for [Senate EPW](https://www.epw.senate.gov/public/index.cfm/fisheries-water-and-wildlife) and [House T&I](https://transportation.house.gov/subcommittees/water-resources-and-environment-116th-congress) water subcommittees]

[Title]

[Address]

**RE:** **Incentivizing and Investing in 21st Century Water Infrastructure for a Resilient Post-Pandemic Economy**

Dear [Name]:

As the country navigates the coronavirus public health crisis, I appreciate this opportunity to share five key recommendations, outlined below, for ensuring federal water infrastructure legislation fosters investments in innovative decentralized water management solutions with you.

Federal investment in local water systems has [decreased significantly](https://www.rand.org/pubs/research_reports/RR1739.html) over the last thirty years. To fill this gap, cities, towns and utilities like [Your City or State name] have come to shoulder the burden of over 95% of spending on water infrastructure nationwide. This decline in federal support has led to [increased rates and deferred capital investments](https://www.cbsnews.com/news/water-bills-rising-cost-of-water-creating-big-utility-bills-for-americans/), impacts exacerbated by the COVID-19 pandemic. National League of Cities’ latest survey data shows that municipalities nationwide are being [decimated by the economic impacts](https://www.nlc.org/post/2020/12/01/new-survey-data-quantifies-pandemics-impact-on-cities-municipal-revenues-down-twenty-one-percent-while-expenses-increase-seventeen-percent/) stemming from the COVID-19 crisis. In April, American Water Works Association and Association of Metropolitan Water Agencies estimated that the financial impact of COVID-19 on water and wastewater utilities combined will [exceed $27 billion in lost revenues](https://www.awwa.org/Portals/0/AWWA/Communications/AWWA-AMWA-COVID-Report_2020-04.pdf). And as cases continue to surge across the country, the full weight of the pandemic remains to be seen.

The time is right for a return to the federal government’s historic investment in water infrastructure, with a clear commitment to investing in modern sustainable, affordable, localized and distributed strategies. Large scale investments in localized water management solutions, including green stormwater strategies, water use efficiency measures, watershed restoration, lead line replacements and more, supplement, extend and serve the same functions as more conventional, centralized infrastructure by providing water supply, treating drinking water, and effectively managing wastewater and stormwater. These strategies can also be an essential part of our communities’ economic recovery, generating permanent green jobs and local economic development in the near-term*.* A [sustainable jobs calculator](https://jwildish.shinyapps.io/JobsCalculator/?mc_cid=a1fbca05cb&mc_eid=%5BUNIQID%5D) by Earth Economics and WaterNow Alliance estimates that, for example, investments in urban forests in communities across the country would create 73% more jobs than the same investment in deep tunnel systems (a more conventional approach to stormwater management). These would be [skilled positions with good earning](https://jfforg-prod-prime.s3.amazonaws.com/media/documents/NatureWORKS-Issue-Brief-032317_v3.pdf) potential. Distributed water management strategies also address water equity by improving the ability of disadvantaged populations to access to clean water at affordable rates, and provide other [co-benefits](https://pacinst.org/wp-content/uploads/2019/04/moving-toward-multi-benefit-approach.pdf) including improved [public health](https://tapin.waternow.org/wp-content/uploads/sites/2/2019/06/PWD-Impact-Analysis.pdf), energy efficiency, improved air quality, reduced greenhouse gases, increased open space and increased property values.

For these reasons, I urge you to incorporate the five key recommendations detailed below into federal legislation during the 117th Congress to incentivize and invest in 21st century water infrastructure for a resilient post-pandemic economy.

1. **Increase federal investments in water infrastructure including for investments in innovative technologies, less conventional water infrastructure, and lead service line replacements to ensure robust funding through established programs** **wherever possible.** These existing programs include the State Revolving Loan Funds (SRF), Water Infrastructure Finance and Innovation Act Loans, Sewer Overflow and Stormwater Reuse Municipal Grants, Drinking Water System Infrastructure Resilience and Sustainability Act Grants, Assistance for Small and Disadvantaged Communities Grants, Lead Testing in School and Child Care Drinking Water Grants, and Reducing Lead in Drinking Water Grants programs.
2. **Provide robust and increased funding for the Water Workforce Infrastructure and Utility Development Grants program.** Grants provided under this program will support economic recovery, workforce development and skills training needed across the water sector and particularly in innovative and emerging fields including green infrastructure and water reuse.
3. **Direct EPA to work with SRF administrators and encourage increased SRF funding in the form of grants and zero-interest and principal-forgiveness loans.** Providing federal funding in the form of grants and zero-interest and principal-forgiveness loans would be a key incentive for local leaders looking to adopt more innovative technologies and less conventional but highly effective water management strategies.
4. **Direct EPA to prioritize SRF funding for utility incentives and rebates for green stormwater infrastructure, water use efficiency, lead service line replacements and other distributed, onsite direct installation.** Funds from the SRF and WIFIA are already authorized to be used for consumer rebates and direct installations, but this is not widely perceived to be the case and EPA has not yet called out investments of this type. Now is the time to do so.
5. **Expand federal income tax exclusions to include homeowners who receive rebates from water utilities to purchase and install water conservation or stormwater management systems.** Financial incentives and direct installation programs are the primary mechanisms for implementing decentralized and onsite water management programs across communities. However, some utilities are concerned that they will be required to treat such incentives as taxable income placing a large administrative burden on the utility and acting as a significant barrier to consumer participation in such programs. Clarifying that financial incentives to implement localized water infrastructure strategies consumers receive from water utilities are tax exempt will eliminate this barrier.

Decentralized onsite water infrastructure has enormous potential to sustainably manage our water resources now and for future generations, while also fostering economic recovery for communities across the nation facing critical needs for jobs and renewal. Thank you for your consideration of these recommendations aimed at transforming the nation’s water infrastructure to secure our water future.

Sincerely,

[Your name here]