



CIFA Members Meeting

Washington D.C. • April 4, 2024

Minutes

I: Welcome and Introductions

Deirdre Finn, CIFA Executive Director, called the meeting to order at 9:00 am Eastern Daylight Time and welcomed everyone back to the Members Meeting.

Deidre introduced Joe Brown, staff member at United States Senate Committee on Environment and Public Works.

Joe Brown thanked the States for their continued efforts on the SRF's. He also recognized the challenges presented by earmarks, but added that he and Congress were happy that the FY 2024 cap grants were not further reduced.

II: Advocacy

Keith McLaughlin, CIFA Board member and Secretary relayed information conveyed by members in the April 2, 2024, members meeting including;

- The need to fund the SRF's at \$3.25 billion each.
- Separate authorizations for earmarks.
- Funding cliff for affordable infrastructure financing if the SRF's are not made whole upon the expiration of the BIL funds.
- The large majority of states are not able to take over administration of the earmarks from EPA due to staffing capacity, backlogged earmark projects, current workloads and other reasons.
- A small number of states were interested in potential earmark administration for SRF/Earmark co-funded projects.

Joe Brown believes States may have the ability to negotiate some terms and or provide incentives if they agree to administer the earmarks. He also mentioned that states may request to administer only parts of the earmark programs.

Keith McLaughlin stated some state's fears that states would be forced to administer earmarks rather than providing administration as an option or ask.

Several audience members also raised concerns regarding the administration of earmarks and the impact earmarks are having on the SRF programs generally. Other audience comments included:

- Earmarks that aren't contracted within 6 months should return to the SRF's.
- Earmarks should be included in each states IUP.
- National Governor's association has made funding for the SRF's a top priority.
- A CIFA report explaining all the benefits of the SRF's would be helpful.
- States want better alignment between SRF's and Earmarks, particularly for co-funded projects.

III: Federal Requirements

Aaron Smith, CIFA Board member opened the conversation regarding federal requirements. Federal requirements or mandates often increase the costs of water infrastructure, which equates to higher water bills for rate payers. Federal requirements are also likely roadblocks to the timely disbursement of earmarks. A cost-benefit analysis should be done for major federal requirements like Davis Bacon, AIS, BABAA, A/E, and the Fiscal Sustainability Plan.

Deridre Finn suggested small systems, perhaps 3500 or less, should be granted waivers from the more onerous federal requirements. States overwhelmingly agreed with the concept. Several audience members mentioned the Federal requirements as exacerbating the "timely and expeditious use" of SRFs.

States mentioned the work CIFA has previously provided on the issue for Federal requirements; [More protection, Less Process.](#)

IV: Round Robin

Deirdre mentioned that CIFA continues to lobby for "up to" 100% additional subsidy for Lead Service Line (LSL) replacement and asked states if they were using LSL BIL funds for inventories. Several states mentioned the delay in funding LSL projects due to incomplete or non-existent inventories.

Clean Water contaminants were briefly discussed, and some states reported that they were transferring CW EC BIL funds to the DW EC funds due to a lack of projects. States were reminded that monitoring and watershed studies to find PFAS were also available through the BIL EC cap grants.

American Rescue Plan Act (ARPA) funds were also brought up for discussion. Several states are administering ARPA funds in addition to the SRF and other state water programs. ARPA administration is another reason states don't have the capacity to administer earmarks.

V: CIFA Member Discussion

Advocacy:

Keith McLaughlin and Aaron Smith summarized previous discussions with EPA and CIFA members regarding earmarks, earmark administration, and federal requirements. States were encouraged to join the "[Save the SRF](#)" campaign, which was officially rolled out earlier at the Summit. Members were also encouraged to meet with their congressional representatives and senators to discuss the impacts the earmarks are having on the SRFs. Keith McLaughlin indicated that there was a way to effectively discuss these issues with your congressman and congresswoman, and to reach out to CIFA for suggestions and material.

Lead Service Line Inventories and Replacement Projects:

Bill Brizzell and Henrick Westin, of the New York State Environmental Facilities Corporation provided some examples of Lead Service Line (LSL) inventory and replacement projects in the State of New York. Several issues were discussed including;

- A constitutional prohibition (in New York) from providing LSL dollars to private homeowners.
- The recent IRS letter ruling indicating that homeowners will not receive a tax bill based on the LSL replacement by a utility.
- Private use issues with issuing tax exempt bonds for LSL projects. NABL is engaged on this issue.
- New LSL allotment formula for SRF's should be available very shortly according to EPA.

Emerging Contaminants:

Joe Karkoski, of the California State Water Resources Control Board and CIFA Board member provided an [Emerging Contaminants \(EC\) Program presentation](#) outlining California's EC program, funding sources, funding caps and eligibility. The types of applications submitted under California's EC program were highlighted and the City of Anaheim's groundwater treatment project- phase B were detailed.

American Rescue Plan:

MaryAnna Peavey, Idaho Department of Environmental Quality and CIFA Board member provided a brief presentation on the American Rescue Plan (ARPA), that provided \$350 billion in additional funding for state and local governments. MaryAnna discussed the ARPA spending deadline of December 31, 2026, as well as SAA, rules and risk assessments.

VII: Adjournment

The meeting was adjourned at 12:08 pm Eastern Daylight Time.