



July 16, 2021

Office of the Undersecretary for Domestic Finance
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Attn: Katharine Richards
Senior Advisory
Office of Recovery Programs
Department of the Treasury

Re: Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule Comments

Dear Ms. Richards:

Thank you for the opportunity to provide comments on the interim final rule for implementation of the Coronavirus State and Local Fiscal Recovery Funds established in the American Rescue Plan Act. The Council of Infrastructure Financing Authorities (CIFA) represents the Clean Water and Drinking Water State Revolving Funds (SRFs) in 48 states.

The Clean Water and Drinking Water SRFs are the nation's premier programs for funding water infrastructure projects that protect public health and the environment. SRFs are effective because states have the flexibility to fund a wide range of water infrastructure projects, within a broad federal framework, to meet the diverse needs of their communities and constituencies.

However, limiting funding to only water, wastewater and stormwater infrastructure projects that are eligible for the Clean Water and Drinking Water SRFs is too restrictive and duplicative of existing available funding.

Instead, CIFA recommends building upon this strong foundation with even greater flexibility for funding necessary water infrastructure projects with the Coronavirus State and Local Fiscal Recovery Funds. Rather than align funding to existing eligible uses of federal funds, guidance should allow any water infrastructure project that achieves measurable, beneficial outcomes for Americans, such as:

- strengthening the resiliency of both water supplies and water systems,
- providing a safe, reliable, sustainable supply of drinking water,

- expanding access to affordable water, wastewater and stormwater services,
- restoring and protecting natural habitats that depend on clean water, and
- mitigating the threat to life or property caused by a surge or scarcity of water.

With greater flexibility, the following projects, which are currently ineligible for funding under the SRFs, could be funded by the Coronavirus State and Local Fiscal Recovery Funds.

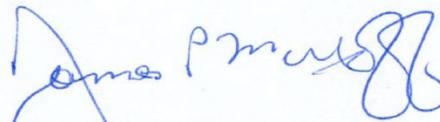
- Indoor plumbing fixtures, such as kitchen and bathroom faucets and drinking water fountains, are necessary to fully remediate lead contamination. Replacing lead water mains and lead service lines, which connect water mains to structures, are eligible for funding under the Drinking Water SRFs. However, indoor plumbing fixtures for lead remediation are not eligible under the SRFs. Replacing these fixtures, which are the final delivery point for safe drinking water, is especially important in structures that serve the public or vulnerable populations, daycare centers, such as schools, nursing homes, libraries, and municipal buildings.
- Development of alternative water supplies is necessary to ensure communities have a safe, reliable, sustainable source of drinking water. Funding projects to meet long-term needs will ensure alternative sources are available before current sources are diminished, degraded or eliminated by saltwater intrusion from rising sea levels or extreme, sustained drought. Currently, projects are limited to meeting needs within ten years. Projects beyond a ten-year horizon aren't eligible for funding under the SRFs.
- Construction of drinking water treatment plants to meet future growth is necessary to foster comprehensive infrastructure planning and will be especially helpful to communities who are building or expanding their stock of affordable housing. The Clean Water SRFs can fund wastewater and stormwater treatment facilities for new growth but infrastructure for future growth isn't eligible under the Drinking Water SRFs.
- Flood control projects are necessary to protect lives and reduce property damage from rising sea levels, hurricanes and monsoons, and other catastrophic wet weather events. Currently, flood control projects are ineligible for funding under the SRFs.

Ultimately, the recipient of the funds is best suited to determine the water infrastructure projects that are "necessary" for increasing protection for public health and the environment in their states and local communities. Additionally, any type of project that has been previously funded or co-funded by federal, state or local taxpayer funds, or supported, directly or indirectly, by federal, tribal, state or local government should be made eligible for funds under the American Rescue Plan Act.

As part of the regular reporting, state and local governments can be required to describe their decision-making process for determining priorities for water infrastructure. Explaining their process will ensure transparency and accountability for taxpayer funds

Thank you for your consideration of these recommendations.

Sincerely,



James P McGoff
COO and Director of Environmental Programs
Indiana Finance Authority
CIFA President

About CIFA

CIFA is a national not-for-profit organization that represents the Clean Water and Drinking Water State Revolving Funds (SRFs), the nation's premier programs for funding water infrastructure that protects public health and the environment.

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