



April 11, 2025

The Honorable Mike Simpson
Chairman
U.S. House Appropriations Subcommittee on
Interior, Environment and Related Agencies
Washington, D.C. 20515

The Honorable Lisa Murkowski
Chair
U.S. Senate Appropriations Subcommittee on
Interior, Environment and Related Agencies
Washington, D.C. 20510

The Honorable Chellie Pingree
Ranking Member
U.S. House Appropriations Subcommittee on
Interior, Environment and Related Agencies
Washington, D.C. 20515

The Honorable Jeff Merkley
Vice Chair
U.S. Senate Appropriations Subcommittee on
Interior, Environment and Related Agencies
Washington, D.C. 20510

Re: 2026 Fiscal Year Appropriations for the Clean Water and Drinking Water State Revolving
Funds (SRFs)

Dear Chairman Simpson, Chair Murkowski, Ranking Member Pingree and Vice Chair Merkley:

As your Committees begin prioritizing funding for fiscal year 2026, the undersigned national and
state organizations urge full funding of the Clean Water and Drinking Water State Revolving
Funds (SRFs) at congressionally authorized levels of \$3.25 billion each.

Clean, safe water is essential to human health, which is inextricably linked to America's prosperity and high standard of living.

Individual wellness and healthy communities are the foundation of robust, successful economies that attract investment and create high paying jobs. Communities without clean waterbodies or a safe, reliable supply of drinking water are communities without socioeconomic stability, economic opportunity, or upward mobility.

Fully funding the SRFs at congressionally authorized levels of \$3.25 billion, each, will expand access to affordable financing for infrastructure that provides safe drinking water, suitable recycled water, wastewater services and stormwater management in thousands of communities across the nation every year. Adequate federal funding for this basic public health infrastructure is needed to reduce the risk of preventable waterborne diseases from poor water quality and water scarcity, which increase healthcare costs and cause a loss of economic productivity.

Over the next 20 years, America must invest more than \$1 trillion in water infrastructure to protect human health.

According to recent surveys, the need for investment in drinking water, recycled water, wastewater and stormwater infrastructure over the next 20 years exceeds \$1.255 trillion. Fully funding the SRFs at \$6.5 billion will allow the SRFs to play a key role in closing the funding gap and help make investments in water infrastructure more affordable for communities.

- According to the [Clean Watershed Needs Survey Report to Congress](#), America needs to invest \$630 billion over the next two decades to clean wastewater and stormwater before reusing it or returning it to the environment.
- According to the results of EPA's [Drinking Water Needs Survey and Assessment 7th Report to Congress](#), America needs to invest \$625 billion over the next two decades to provide safe drinking water to hundreds of millions of households across the nation.

The demand for affordable SRF financing has increased exponentially in recent years.

Adequate federal funding is needed to meet the growing demand for SRF low interest loans, which has skyrocketed due to the increased cost of planning, design, construction and financing.

- While inflation has stabilized, the cost of planning, design and construction remains well above pre-pandemic levels, especially in small and rural communities that can least afford it.
- Higher construction costs are compounded by higher financing costs from rising interest rates on the municipal market.
- Complying with more stringent water quality standards requires new investments in sophisticated and often expensive treatment technologies.

The SRFs are fiscally-responsible, effective and efficient state-federal partnerships.

Since Congress established the SRFs, \$90 billion in cumulative federal funding has generated \$244 billion in financial assistance for water infrastructure projects, producing a combined return-on-investment of \$3 for every \$1 in federal funding. Today, decades-old congressional

appropriations for the SRFs are being reused and reinvested, with more than \$100 billion in loan repayments permanently revolving and financing new water infrastructure projects.

Over the last three years, these state-managed programs have executed more than 3,000 loans, on average, each year. Two thirds of these projects were built in small and rural communities with fewer than 10,000 people, many of which couldn't qualify or afford financing in the municipal or private lending markets. The cost of administering the SRFs is capped at 4% of annual federal funding.

Drinking water, recycled water, wastewater and stormwater utilities face a funding cliff.

Supplemental federal funding for the SRFs in the Infrastructure Investment and Jobs Act (IIJA) ends next year. When that one-time funding ultimately dries up, many communities will lose access to a source of affordable financing to build infrastructure to meet national standards for safe and clean water, jeopardizing the health of millions of Americans.

Funding the Clean Water and Drinking Water SRFs at congressionally authorized levels of \$3.25 billion, each, for fiscal year 2026 will avert this funding cliff and maintain the pipeline of projects for water infrastructure that protects human health and the environment.

Thank you for your continued support of the Clean Water and Drinking Water SRFs.

Alabama Rivers Alliance
Alliance for Water Efficiency (AWE)
American Council of Engineering Companies (ACEC)
American Public Works Association (APWA)
American Water Works Association (AWWA)
Association of Clean Water Administrators (ACWA)
Association of Metropolitan Water Agencies (AMWA)
Association of State Drinking Water Administrators (ASDWA)
California Association of Sanitation Agencies
Clean Water Action
Council of Infrastructure Financing Authorities (CIFA)
Environmental Council of the States (ECOS)
Environmental Policy Innovation Center (EPIC)
Government Finance Officers Association (GFOA)
Moonshot Missions
National Association of Clean Water Agencies (NACWA)
National Groundwater Association
National Municipal Stormwater Alliance (NMSA)
National Utility Contractors Association (NUCA)
Texas Water Association
Texas Water Infrastructure Association (TXWIN)
US Water Alliance
The Water Research Foundation (WRF)
Water and Wastewater Equipment Manufacturers Association (WWEMA)

Water and Sewer Distributors of America (WASDA)

Water Environment Federation (WEF)

Water Finance Exchange (WFX)

WaterNow Alliance

WaterReuse Association (WRA)

Western States Water Council (WSWC)