

# ARPA Water and Sewer Grants Program Overview

On Jan. 27, 2022, during the Special Session called by Gov. Kay Ivey, the Alabama Legislature passed a historic funding plan to address longstanding problems that have plagued water and sewer systems across the state of Alabama for decades. The plan appropriates \$225 million from the American Rescue Plan Act to improve access to clean water to the citizens of Alabama through investments in water and sewer infrastructure projects.

The law directs the Alabama Department of Environmental Management, through an agreement with the Alabama Department of Finance, to administer the program by providing grants to water and sewer systems on a needs-based assessment as well as funding for targeted demonstration projects.

ADEM looks forward to administering this program and continuing our work with water and sewer systems throughout the state. There are approximately 1,200 water and sewer systems in Alabama, and many have significant repair and upgrade needs. Plus, many residents lack adequate water or sewer service.

ADEM encourages water and sewer system to apply for grants under this program, and the department stands ready to assist them if they need help completing the application process. We also welcome questions or requests for more information from the public about the program.

Here's a brief overview on the ARPA water and sewer program.

## Three Funding Categories

The \$225 million in federal ARPA funding falls under three categories:

- Up to \$120 million will be awarded as grants to water and sewer systems for emergency or high-needs projects. These are systems whose needs had previously been identified by ADEM for participation in the Clean Water State Revolving Fund or the Drinking Water State Revolving Fund. (The Clean Water SRF is for sewer projects.)

Projects will be awarded on a ranking system that gives special consideration for projects that improve access to water or sewer services in communities disproportionately affected by COVID-19 or that lack local funding to complete the projects on their own.

No local match funding is required for these projects.

- Up to \$100 million will be awarded in grants to water and sewer systems that may require local matching funds based on their ability to pay.

- Up to \$5 million will go to demonstration sewer projects in the Black Belt. These projects will target problems such as soil conditions that prevent wastewater from septic systems from being absorbed into the ground, failing sewer or septic systems, the use of “straight pipes in the absence of a functioning septic system or sewer service, and other issues related to poor, sparsely populated, rural areas of the Black Belt.

While this funding is much needed and much welcomed, and will affect positively thousands of Alabamians, including residents in some of the most disadvantaged communities in the state, the amount does not come close to meeting all the pent-up water and sewer infrastructure needs in the state, which total in the billions of dollars. Therefore, projects will be assessed and scored, with the priority going to the neediest and poorest communities.

### **Eligibility**

Eligible applicants are counties, municipalities, public-owned wastewater and water systems, utilities, authorities, boards, and nonprofit organizations.

### **Ranking System**

ADEM will evaluate all proposed projects using “needs-based” criteria and will determine priority based on a ranking system that considers physical plant needs, financial needs, compliance status, demographics, etc. Projects demonstrating the greatest need and ranked as high priority will receive the initial funding.

### **Timelines**

Water and sewer projects awarded grants for initial funding will be chosen based on applications received by April 1, 2022. Applications received after April 1 will be considered as other funding becomes available. ADEM is ready to assist any water system or any other entity that needs help in applying for a grant, including meeting the timeline.

### **To Apply**

Applications for ARPA funding should be made using ADEM’s State Revolving Fund pre-application forms. Use Form 340 for Clean Water (sewer) applications and Form 370 for Drinking Water applications. The forms and guidance for completing them are available on ADEM’s website. Here is a [link](#) to the page.

### **Questions**

Questions and requests for information concerning the ARPA application process for water and wastewater infrastructure grants may be submitted by email to ADEM at: [srf@adem.alabama.gov](mailto:srf@adem.alabama.gov).

## **Status Updates**

To assist transparency, ADEM will provide regular updates on the projects. The status of all submitted applications will be made available on the ARPA/SRF Updates page on ADEM's website. Here's a [link](#) to that page.

Also, look for news, announcements and other developments on this page.

## **Additional Funding Opportunities**

In addition to the ARPA funding, Alabama is expected to receive \$765 million for water and sewer infrastructure projects from the Bipartisan Infrastructure Law (BIL) passed by Congress. Grants will be awarded by ADEM using the State Revolving Fund process. The state will receive BIL funding on an annual basis over the next five years.

## **Thanks!**

ADEM appreciates the many public entities it is partnering with on these water projects, including the Governor's Office, state and local Health Departments, U.S. Environmental Protection Agency, the U.S. Department of Agriculture the Alabama Rural Water Association, the Alabama League of Municipalities, the Consortium for Alabama Rural Water and Wastewater Management, and others.