

# American Recovery Plan Act (ARPA) Fund Uses for Water and Sewer Infrastructure in Oklahoma Municipalities

The primary source of information for this article is from the interim final rule by the Department of the Treasury: Coronavirus State and Local Fiscal Recovery Funds. 86 Fed. Reg. 26,802 (May 17, 2021).

The full text of the interim final rule, frequently asked questions, and additional facts about the rule can be accessed in the below hyperlink: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

## Overview of ARPA uses for Water and Sewer infrastructure

The general goal of these funds is to improve access to clean drinking water and improve wastewater and stormwater infrastructure systems. Below are the guidelines on how ARPA funds (Fiscal Recovery Funds) can be spent to achieve these goals.

Infrastructure projects including water and sewer are a separate ARPA eligible use category and do not need to directly relate to supporting public health expenditures, addressing negative economic consequences, or serving the hardest hit communities. Eligible uses of the Fiscal Recovery Funds for water and sewer infrastructure include the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).<sup>1</sup>

Municipal recipients do not need pre-approval from the U.S. Department of the Treasury or the State to determine that a project is eligible under the ARPA. However, recipients should be aware of other federal, state, or local laws or regulations that may apply, like competitive bidding laws.<sup>2</sup>

The CWSRF and DWSRF often allow for pre-project development costs that are tied to an eligible project, as well as those that are reasonably expected to lead to a project. For example, the DWSRF allows for planning and evaluations uses, as well as, development costs, including costs associated with obtaining project authorization, planning and design, training and warranty for equipment. Likewise, the CWSRF allows for planning and assessment activities, such as cost and effectiveness analyses, water/energy audits and conservation plans, and capital improvement plans.<sup>3</sup>

These funds may also be used for projects that were started before the pandemic. Recipients may use ARPA Funds to cover costs incurred for eligible projects planned or started prior to March 3, 2021, provided that the project costs covered by the Fiscal Recovery Funds were incurred after March 3, 2021.<sup>4</sup>

### 1. Clean Water State Revolving Fund Eligibility

Generally, the types of projects eligible for CWSRF assistance include projects to construct, improve, and repair wastewater treatment plants, control non-point sources of pollution, improve resilience of

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<sup>1</sup> Coronavirus State and Local Fiscal Recovery Funds. 86 Fed. Reg. 26,802 (May 17, 2021).

<sup>2</sup> [Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions](#). Pg. 29

<sup>3</sup> [Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions](#). Pg. 31

<sup>4</sup> [Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions](#). Pg. 21

infrastructure to severe weather events, create green infrastructure, and protect waterbodies from pollution.<sup>5</sup>

The EPA overview of eligible projects can be accessed here: [EPA CWSRF Eligibility Overview](#)

Eligible project types for CWSRF assistance according to the [Oklahoma Water Resources Board website](#) include:

- Secondary and Advanced Treatment
- Inflow/Infiltration Correction
- Sewer Replacement/Rehabilitation
- New Collector and Interceptor Sewers
- Nonpoint Source Implementation
  - Including Dam Rehabilitation
- Land Acquisitions Necessary for Treatment
- Decentralized Wastewater Systems
- Facility Security Systems
- Subsurface Remediation
- Urban Brownfield Projects
- Stormwater Projects
- Green Infrastructure Projects
- Water Efficiency Projects
  - Water Reuse Projects
  - Automated Meter Readers
- Energy Efficiency Projects for Publicly Owned Treatment Works
- Environmentally Innovative Projects
- Habitat Protection and Restoration Practices
- Planning/Assessment and Monitoring Practices<sup>6</sup>

## 2. Drinking Water State Revolving Fund Eligibility

The primary use of DWSRF funds is to assist communities in making water infrastructure capital improvements, including the installation and replacement of failing treatment and distribution systems.<sup>7</sup> In administering these programs, States must give priority to projects that ensure compliance with applicable health and environmental safety requirements; address the most serious risks to human health; and assist systems most in need on a per household basis according to State affordability criteria.<sup>8</sup>

The EPA handbook of eligible projects for the DWSRF can be accessed here: [EPA DWSRF Eligibility Handbook](#)

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<sup>5</sup> Coronavirus State and Local Fiscal Recovery Funds. 86 Fed. Reg. 26,802 (May 17, 2021).

<sup>6</sup> <https://www.owrb.ok.gov/financing/loan/cwsrfloans.php>

<sup>7</sup> Infrastructure Needs Survey and Assessment: Sixth Report to Congress (March 2018), [https://www.epa.gov/sites/production/files/2018-10/documents/corrected\\_sixth\\_drinking\\_water\\_infrastructure\\_needs\\_survey\\_and\\_assessment.pdf](https://www.epa.gov/sites/production/files/2018-10/documents/corrected_sixth_drinking_water_infrastructure_needs_survey_and_assessment.pdf).

<sup>8</sup> 42 U.S.C. 300j-12(b)(3)(A)

Eligible project types for DWSRF assistance according to the [Oklahoma Water Resources Board and Oklahoma Department of Environmental Quality include:](#)

- **Treatment:** Projects to install or upgrade facilities to improve drinking water quality to comply with SDWA regulations
- **Transmission and distribution:** Rehabilitation, replacement, or installation of pipes to improve water pressure to safe levels or to prevent contamination caused by leaky or broken pipes
- **Source:** Rehabilitation of wells or development of eligible sources to replace contaminated sources
- **Storage:** Installation or upgrade of finished water storage tanks to prevent microbiological contamination from entering the distribution system
- **Consolidation:** Interconnecting two or more water systems
- **Creation of new systems:** Construct a new system to serve homes with contaminated individual wells or consolidate existing systems into a new regional water system
- **Dam rehabilitation and dredging for Public Water Supply Reservoirs**
- **Purchase of water rights to supply drinking water to an existing population<sup>9</sup>**

### 3. Suggested water and sewer projects from the U.S. Department Of The Treasury

- a. Projects to improve drinking water infrastructure such as building or upgrading facilities and transmission, distribution, and storage systems, including replacement of lead service lines.
- b. With respect to wastewater infrastructure, recipients may use Fiscal Recovery Funds to construct publicly owned treatment infrastructure, manage and treat stormwater or subsurface drainage water, facilitate water reuse, and secure publicly owned treatment works, among other uses.
- c. Under the CWSRF and DWSRF, Fiscal Recovery Funds may be used for cybersecurity needs to protect water or sewer infrastructure, such as developing effective cybersecurity practices and measures at drinking water systems and publicly owned treatment works.
- d. Green infrastructure projects that support stormwater system resiliency could include rain gardens that provide water storage and filtration benefits, and green streets, where vegetation, soil, and engineered systems are combined to direct and filter rainwater from impervious surfaces.
- e. In cases of a natural disaster, recipients may also use Fiscal Recovery Funds to provide relief, such as interconnecting water systems or rehabilitating existing wells during an extended drought.<sup>10</sup>

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<sup>9</sup> <https://www.deq.ok.gov/water-quality-division/public-water-supply/dwsrf/>

<sup>10</sup>Coronavirus State and Local Fiscal Recovery Funds. 86 Fed. Reg. 26,803 (May 17, 2021)