Federal Funds for Drinking Water Infrastructure

DRINKING WATER PROTECTION SECTION

What the Infrastructure Investment & Jobs Act (IIJA) means for Minnesota

The IIJA, also referred to as the Bipartisan Infrastructure Law, provides five years of infrastructure funding. This funding will be delivered through the Drinking Water Revolving Fund (DWRF), which is jointly administered by the Minnesota Department of Health (MDH) and the Public Facilities Authority.

To apply for these funds, states must submit a DWRF Intended Use Plan, which provides a list of infrastructure projects, to U.S. Environmental Protection Agency (EPA).

IIJA provides supplemental funds and new funding sources for drinking water infrastructure

Through the IIJA, the DWRF will receive supplemental base program funding. There will also be dedicated funding sources for inventory and replacement of lead service lines as well as management of emerging contaminants. The chart below represents the associated funding amounts for first of five years of funding.

More details about each of these funding streams can be found in the following table.

IIJA funding sources and requirements

<table>
<thead>
<tr>
<th>Funding requirements</th>
<th>Supplemental DWRF Base Program Funding</th>
<th>Emerging Contaminants Funding</th>
<th>Lead Service Line Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requires match?</td>
<td>10% State match</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Current Intended Use Plan</td>
<td>82 projects for $324 M above normal funding range</td>
<td>8 projects for $56.7 M</td>
<td>20 projects for $39.2 M</td>
</tr>
<tr>
<td>Statutory changes needed?</td>
<td>No, although legislative action needed for State match</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Rule revisions needed?</td>
<td>No</td>
<td>Revisions to modify priority ranking in progress</td>
<td>Revisions to modify priority ranking in progress</td>
</tr>
<tr>
<td>Other</td>
<td>NA</td>
<td>Focus on PFAS and manganese</td>
<td>Remaining balance will provide technical assistance to public water systems with lead service line inventories</td>
</tr>
</tbody>
</table>
Projected timeline for IIJA funding

The projected timeline below follows the annual DWRF funding cycle. Before EPA awards IIJA funds, the State must provide the match for supplemental DWRF funding.

- **September 2022**
  - Draft Intended Use Plan for Minnesota published

- **December 2022**
  - Received comments that will be addressed in final Intended Use Plan
  - Grant applications submitted to EPA

- **March 2023**
  - IIJA funds awarded for Emerging Contaminants and Lead Service Lines

- **Ongoing**
  - State match for supplemental DWRF funding required before EPA awards IIJA funds

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