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Funding for Drinking Water, Sewer Projects Surpasses \$1 billion

ADEM continues to award grants, loans, loan forgiveness based on need

MONTGOMERY, Ala. – Two years after the Alabama Department of Environmental Management (ADEM) began the process of awarding COVID-19 relief era funding to address critical drinking water and sewer needs, more than \$1.1 billion has been committed to water and sewer systems throughout the state.

Most of the funding came from the state’s share of federal American Rescue Plan Act (ARPA) funds. In 2022, during a special session called by Gov. Kay Ivey, lawmakers approved \$225 million from ARPA for drinking water and sewer projects. In 2023, during another special session called by the governor, the Legislature approved an additional \$400 million.

ADEM supplemented that over the past two years with \$251 million from the Bipartisan Infrastructure Law (BIL) passed by Congress in 2021 and more than \$279 million in State Revolving Fund (SRF) money for drinking water and sewer systems. That brought ADEM’s total investment in drinking water and sewer projects in 2022 and 2023 to more than \$1.15 billion.

“The size of the investment the state is placing in these essential services is unprecedented in Alabama history,” ADEM Director Lance LeFleur said. “The projects we are funding will have a tremendous impact on the health and quality of life for literally millions of Alabamians. Those impacts will be long-lasting, benefiting generations of residents, particularly those in disadvantaged and underresourced communities.”

The approach ADEM took from the start in awarding funding – in the forms of grants, low-interest loans and loan forgiveness – is based on need, where those systems and communities with the greatest needs are priorities.

In 2022 alone, ADEM awarded \$463 million to 181 systems – 105 drinking water systems and 76 clean water (sewer) systems. Of that total, the majority of the funding went to disadvantaged communities, including \$157 million for 53 projects in Alabama’s Black Belt region. Those communities have long been hampered by failing or inadequate drinking water or sewer services. Working with partners, ADEM funded demonstration projects in Lowndes and Hale counties to address sewer problems associated

with dense soil that renders regular septic systems ineffective and sparse populations that make conventional public sewer system connections impractical.

“In our first year, we were able to make funding available to communities in 63 of Alabama’s 67 counties,” LeFleur said. “In 2023, ADEM awarded an additional \$682 million, making sure to fund projects in the four counties that did not receive funding the previous year. Every county in the state will see the benefit of this initiative.”

To date, ADEM has approved funding for more than 500 projects.

LeFleur pointed out that despite the unprecedented investment in drinking water and sewer infrastructure, there still are tremendous needs that far exceed available funding. ADEM has received applications for 757 projects from 535 of the state’s 1,061 drinking water and sewer systems requesting more than \$3.4 billion in funding.

“We will continue to evaluate projects based on need,” LeFleur said, noting that a focus must remain on assisting disadvantaged and marginalized areas. “The goal is the same – improving the health and safety of residents by helping bring safe, reliable drinking water and sanitary wastewater services to those in need.”

ADEM will also continue to partner with various state, federal and local agencies as well as community groups to identify and fund needs, as well as assist drinking water and sewer systems in applying and qualifying for funding.

“We are taking a long view of this,” LeFleur said. “Even after all the ARPA and BIL money is gone, we will continue to provide funding to drinking water and sewer projects through our State Revolving Fund and looking for creative ways to meet needs. We are 100 percent committed to improving the lives of people now and in the future.”

For more information about water and sewer grant applications and awards, go to ADEM’s website, www.adem.alabama.gov, and click on the “ARPA/SRF Updates” button.

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