

Renewing America's Water Infrastructure:

The Opportunity of a Lifetime

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About Xylem



A GLOBAL WATER INDUSTRY LEADER BASED IN THE USA...

- Leading global water technology provider
- Approximately 16,000 global employees
- Headquarters: Rye Brook, NY; ~350 global locations
- Doing business in 150+ countries on 6 continents
- ~\$5 billion in annual sales

**...UNIQUELY POSITIONED TO HELP OUR PARTNERS
SOLVE THE WORLD'S WATER CHALLENGES**

Infrastructure in the cycle of water

Water treatment and distribution

Watershed
management



Residential,
commercial,
industrial and
agricultural
consumers

Wastewater collection and treatment

Vital signs



30 percent non-revenue water

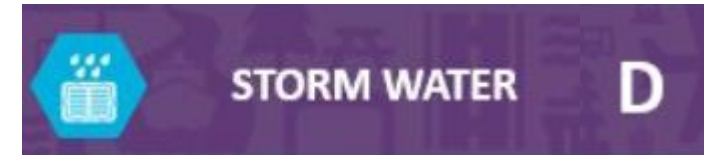
>2 million Americans without access to toilets

240 thousand water main breaks per year

60 million Americans won't drink their tap water

850 billion gallons of raw sewage released

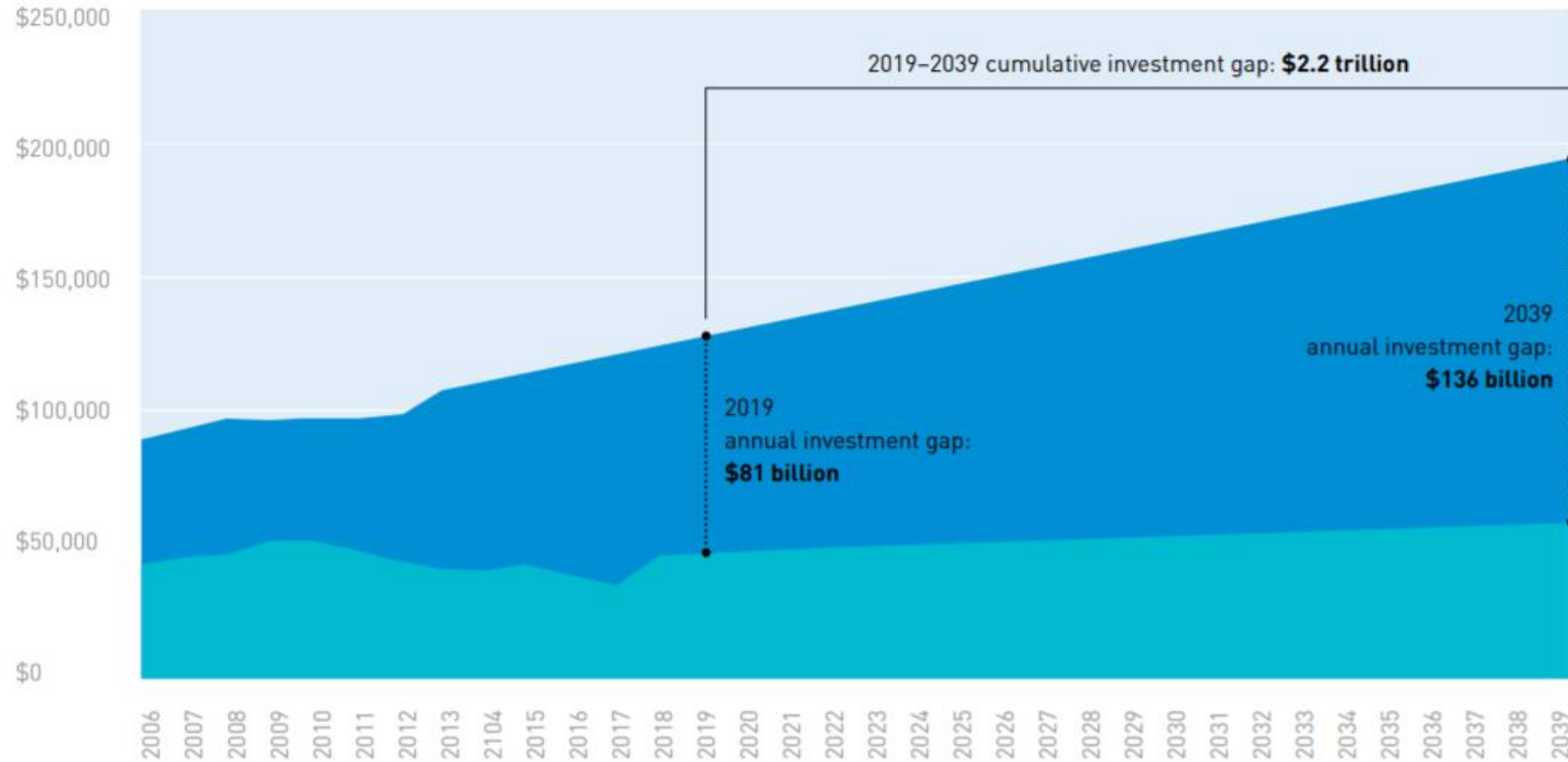
3x faster water rate growth than inflation



We have a nearly \$100B annual capital investment gap

Water Infrastructure Capital Spending Gap ^{19;20;21}
(\$ million)

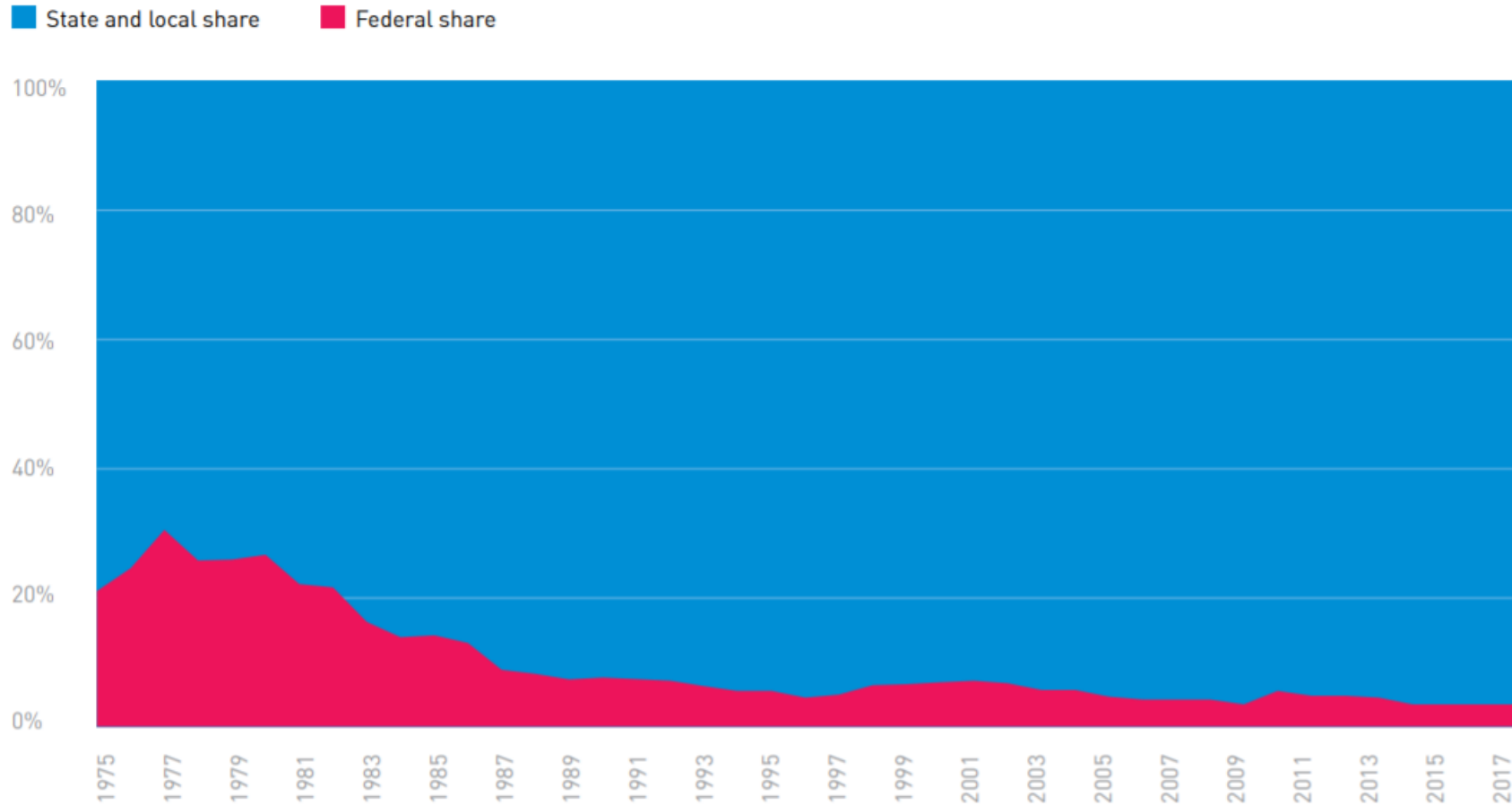
■ Water infrastructure capital need ■ Water infrastructure capital spending



Aging infrastructure makes the problem worse every year

The federal share of investment has been declining

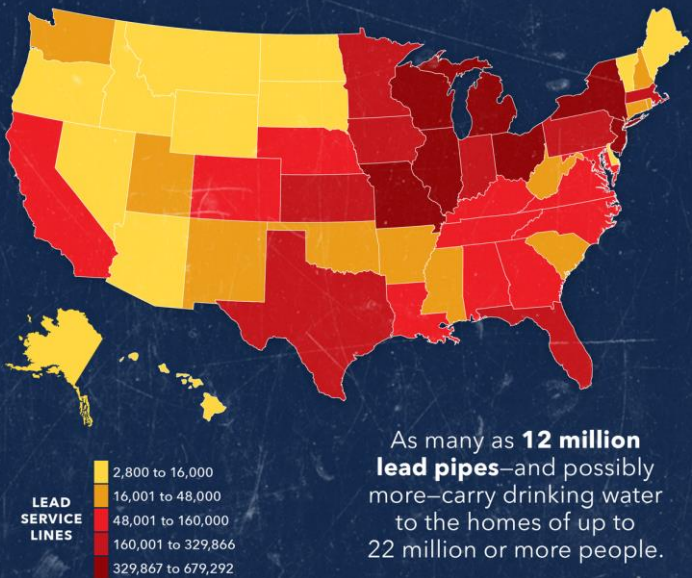
Federal vs. State and Local Share of Water Capital and O&M Investment: 1975–2017²⁵



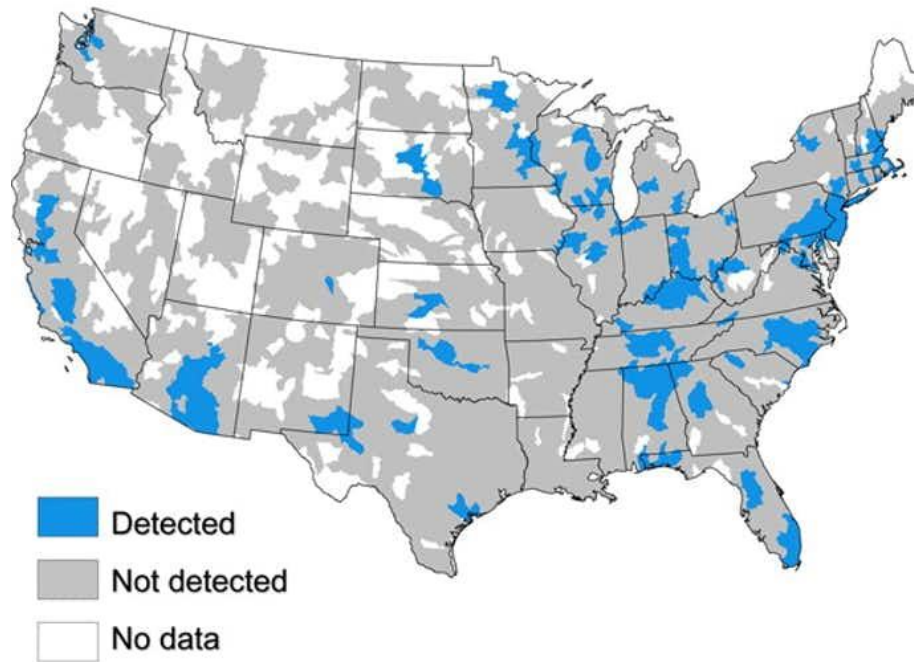
From 31% in 1977 to 4% in 2017

Significant historical and emerging challenges to address

LEAD SERVICE LINES PER STATE



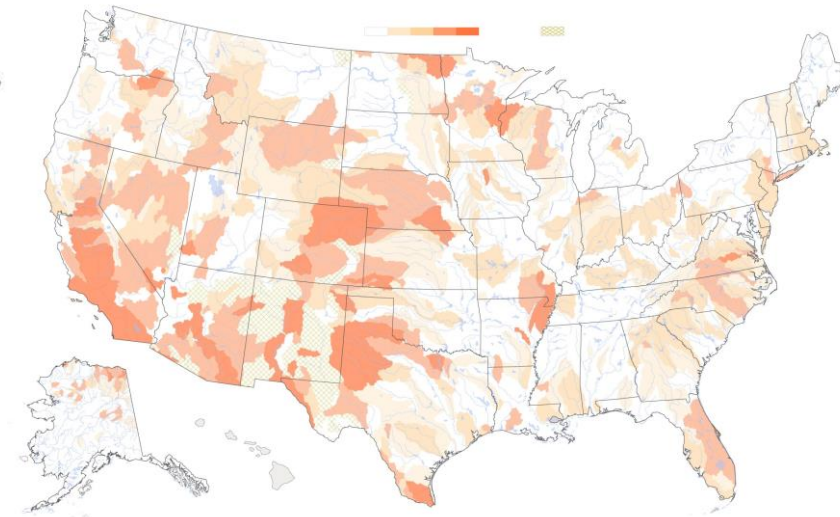
Hydrological units with detectable PFASs



Risk of water stress

Lower Higher

Arid area

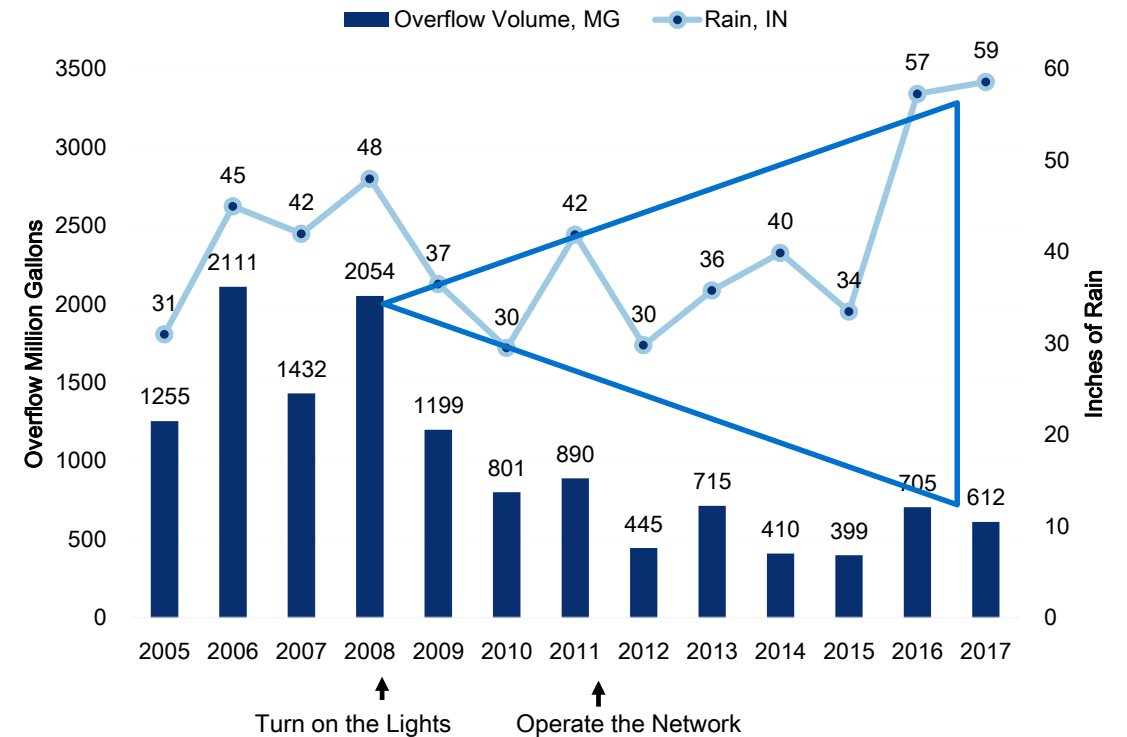
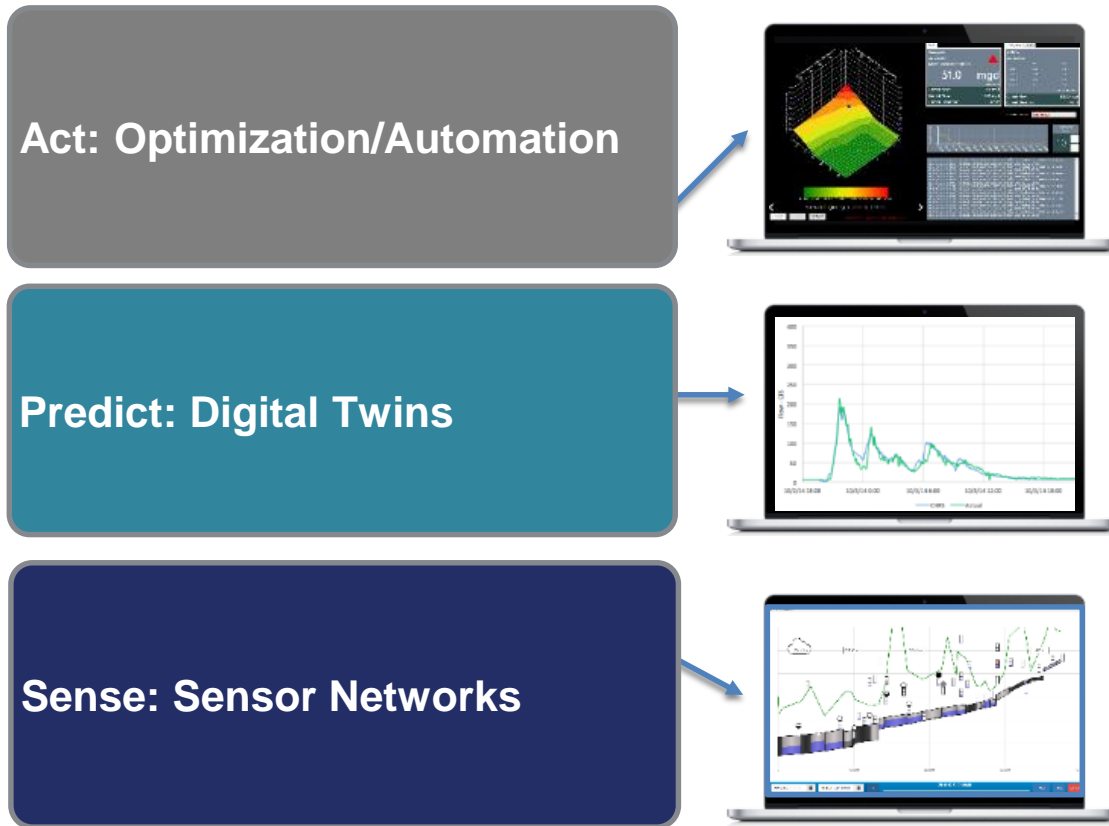


Lead, PFAS, water scarcity and more

The water manager's trilemma

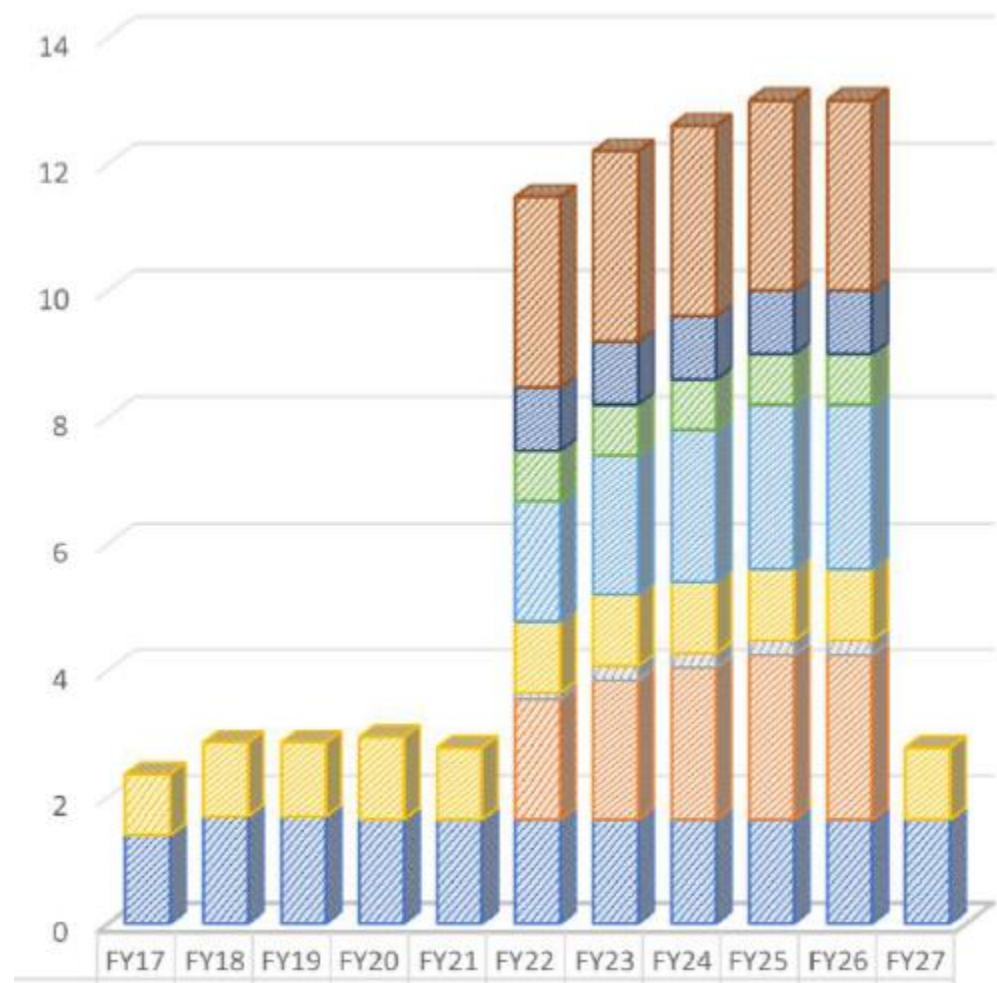


Smart water infrastructure can provide better outcomes at lower cost

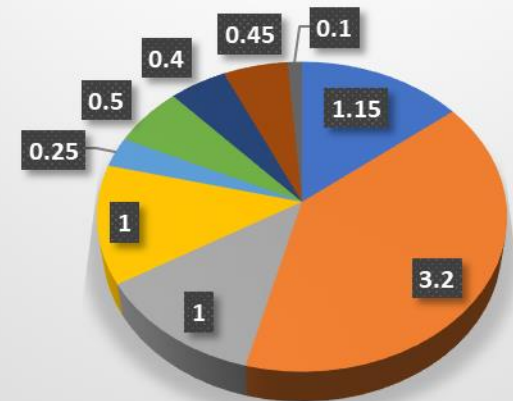


Better environmental outcomes and >\$400M in savings

The Infrastructure Investment and Jobs Act



Western Water Infrastructure (\$8.3 billion over 5 Years)



- Water storage, groundwater storage and conveyance projects (\$1.15B)
- Aging infrastructure (\$3.2B)
- Rural water projects (\$1B)
- Water recycling and reuse projects (\$1B)
- Desalination (\$250M)
- Dam safety (\$500M)
- WaterSMART (\$400M)
- Other (Aquatic ecosystem restoration and protection, watershed health, ESA recovery)
- Small surface water and ground water storage projects

\$60B in new funds for key water priorities

Source: US Environmental Protection Agency, Congressional Budget Office

Most investments will flow through EPA's State Revolving Funds

Safe Drinking Water



\$11.7 billion to the Drinking Water State Revolving Fund (SRF).

\$15 billion to the Drinking Water SRF for Lead Service Line Replacement.

\$4 billion to the Drinking Water SRF for Emerging Contaminants.

\$5 billion to Water Infrastructure Improvements for the Nation (WIIN) Grants to address emerging contaminants.

Clean Water for Communities


\$11.7 billion for the Clean Water State Revolving Fund SRF.

\$1 billion for the Clean Water SRF for Emerging Contaminants.

Protected Regional Waters

\$1.7 billion for Geographic Programs.

\$267 million for the National Estuary Program, Gulf Hypoxia Program, and more.

- 
- Over 80% will flow through the State Revolving Funds
 - ~6x increase over prior appropriations for traditional revolving funds
 - Major increase in grant funding, especially for underserved communities
 - ~\$20B to deal with contaminants (lead, PFAS, etc)

Implementation guidance forthcoming in February

State Revolving Fund allocations

Bipartisan Infrastructure Law:

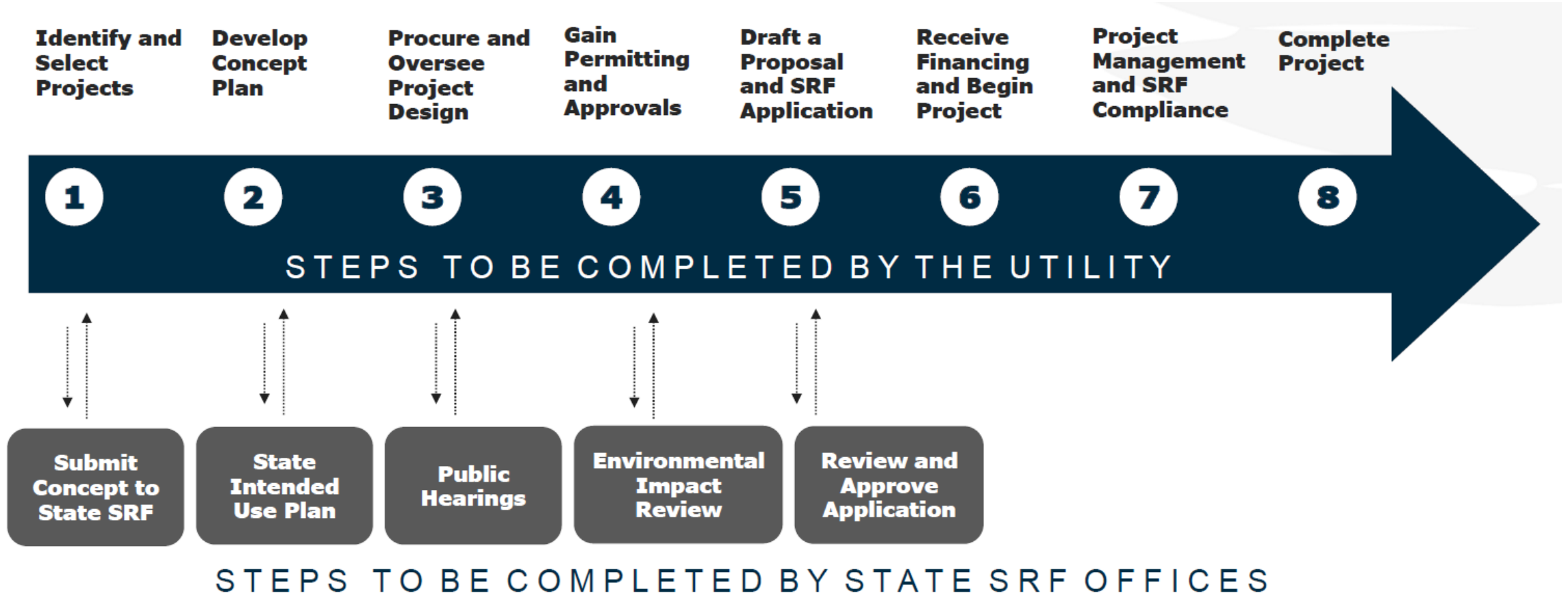
Environmental Protection Agency

2022 State Revolving Fund (SRF) Estimated Allotments to States, Tribes,
and Territories by Program

	Total	DWSRF	DWSRF Lead Service Line Replacement	DWSRF Emerging Contaminants	CWSRF	CWSRF Emerging Contaminants
Alabama	\$137,030,000	\$38,705,000	\$60,953,000	\$16,254,000	\$20,065,000	\$1,053,000
Alaska	\$65,074,000	\$17,955,000	\$28,275,000	\$7,540,000	\$10,740,000	\$564,000
Arizona	\$109,458,000	\$32,291,000	\$50,851,000	\$13,560,000	\$12,120,000	\$636,000
Arkansas	\$93,252,000	\$27,013,000	\$42,540,000	\$11,344,000	\$11,739,000	\$616,000
California	\$609,441,000	\$158,400,000	\$249,447,000	\$66,518,000	\$128,339,000	\$6,737,000
Colorado	\$121,347,000	\$35,476,000	\$55,866,000	\$14,898,000	\$14,354,000	\$753,000
Connecticut	\$76,907,000	\$17,955,000	\$28,275,000	\$7,540,000	\$21,983,000	\$1,154,000
Delaware	\$63,041,000	\$17,955,000	\$28,275,000	\$7,540,000	\$8,809,000	\$462,000
District of Columbia	\$63,041,000	\$17,955,000	\$28,275,000	\$7,540,000	\$8,809,000	\$462,000

Full details available on EPA website

State Revolving Funds are going to need to scale...



Very significant increase in volumes expected...

System participation in SRFs has been uneven

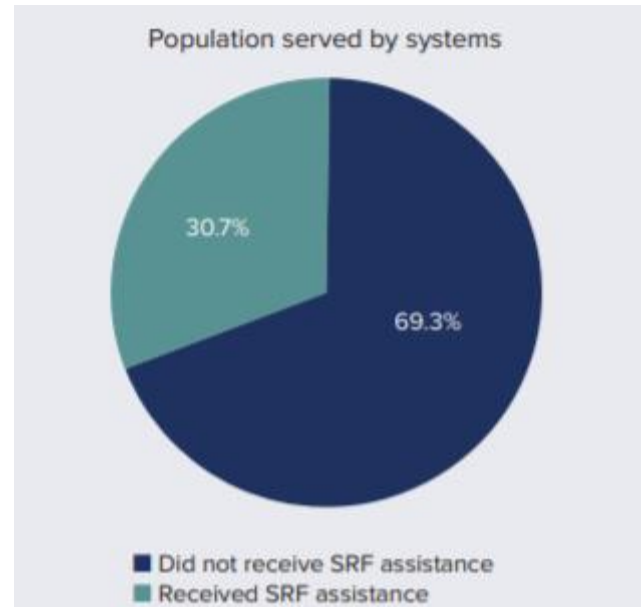
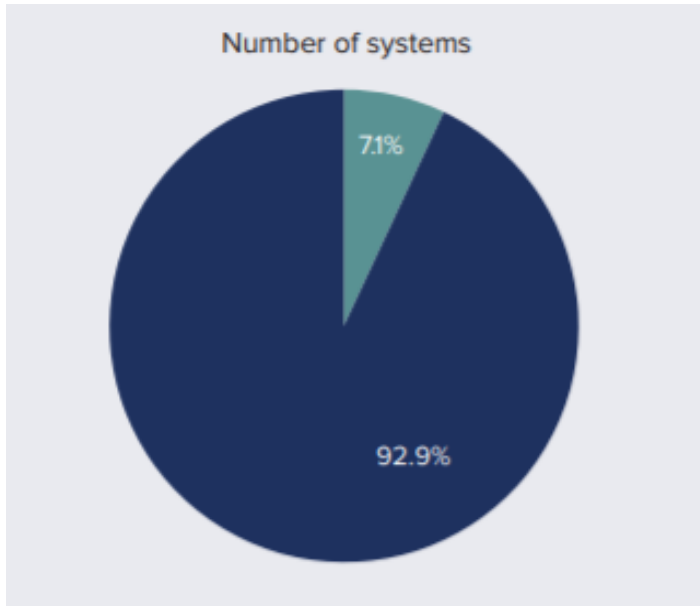
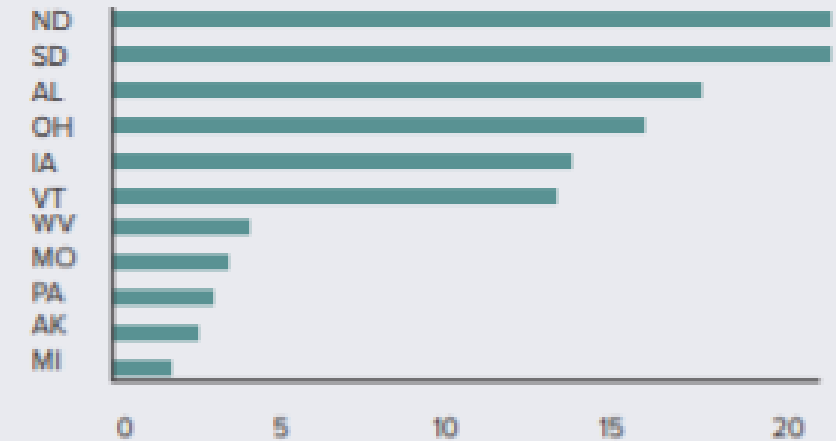


Figure 3. Proportion of drinking water systems that received a DWSRF award by state, 2010–2020



... capability development will be required to enable access

Seizing the opportunity of a lifetime: policy and implementation considerations

Policy considerations – federal and state priorities

- **Environmental justice**
- **“Shovel-worthy” vs. “Shovel Ready”**
- **Domestic content requirements**

Implementation considerations

- **SRFs need to scale up**
- **Underserved communities need assistance**
- **Domestic content requirements**

Very significant increase in volumes expected...

Webinar: Resources for Small & Disadvantaged Communities

The Reservoir Center for Water Solutions will be hosting a webinar to underscore the array of resources available to small and disadvantaged communities to realize the promise of the Infrastructure Investment and Jobs Act.

Date: 3:00pm ET on Wednesday, January 26, 2022.

For more information, contact Maya Sathyanadhan, maya@reservoircenter.org OR visit xylem.com/events

Moderator: George Hawkins - CEO & Founder, Moonshot Missions

Opening Remarks: Rep. Ruben Gallego (AZ-7th)

Overview: Congressional Research Service

View from the Administration: Bruno Pigott, Dep. Asst. Administrator, Office of Water, U.S. EPA

Panelists

- Regional Community Assistance Program
- Environmental Policy Innovation Center
- National Rural Water Association
- DigDeep
- American Water Works Association
- Moonshot Missions

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