Renewing America’s Water Infrastructure:  
*The Opportunity of a Lifetime*  
Albert Cho, SVP and Chief Strategy & Digital Officer
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

- Watershed management
- Water treatment and distribution
- Wastewater collection and treatment
- Residential, commercial, industrial and agricultural consumers
Vital signs

30 percent non-revenue water

240 thousand water main breaks per year

850 billion gallons of raw sewage released

>2 million Americans without access to toilets

60 million Americans won’t drink their tap water

3x faster water rate growth than inflation

Source: Xylem, US EPA, AWWA, ASCE
We have a nearly $100B annual capital investment gap

Aging infrastructure makes the problem worse every year

Source: US Water Alliance
The federal share of investment has been declining

From 31% in 1977 to 4% in 2017

Source: US Water Alliance
Significant historical and emerging challenges to address

Lead, PFAS, water scarcity and more
The water manager’s trilemma

- Water Resilience
- Affordability
- Process Stability

- Inevitable
- Unsustainable
- Unaffordable
Smart water infrastructure can provide better outcomes at lower cost

Act: Optimization/Automation

Predict: Digital Twins

Sense: Sensor Networks

Better environmental outcomes and >$400M in savings

Source: Xylem
The Infrastructure Investment and Jobs Act

$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

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

Full details available on EPA website

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

Very significant increase in volumes expected...

Source: Moonshot Missions
System participation in SRFs has been uneven

... capability development will be required to enable access

Source: Environmental Policy Innovation Center (EPIC)
Seizing the opportunity of a lifetime: policy and implementation considerations

<table>
<thead>
<tr>
<th>Policy considerations – federal and state priorities</th>
<th>Implementation considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Environmental justice</td>
<td>• SRFs need to scale up</td>
</tr>
<tr>
<td>• “Shovel-worthy” vs. “Shovel Ready”</td>
<td>• Underserved communities need assistance</td>
</tr>
<tr>
<td>• Domestic content requirements</td>
<td>• Domestic content requirements</td>
</tr>
</tbody>
</table>
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


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