

Frequently Asked Questions

What is ARPA?

ARPA is the American Rescue Plan Act, a \$1.9 trillion COVID-19 relief package passed by Congress and signed into law by President Biden in March 2021. The act provides \$2.1 billion to the Alabama state government.

How are ARPA funds being used in Alabama for water and sewer needs?

During a Special Session in January called by Gov. Kay Ivey, the Alabama Legislature authorized the spending of \$772 million in ARPA funds, including \$225 million in grants to be administered by ADEM for water and sewer upgrade and repair projects.

Who are eligible to apply for ARPA funding for water and sewer projects?

Publicly-owned wastewater and water systems can apply for the grants.

What criteria will be used to determine what water and sewer projects are funded?

ADEM will evaluate all proposed projects using “needs-based” criteria and will determine priority based on a ranking system that considers physical plant needs, financial needs, compliance status, demographics, etc. Projects demonstrating the greatest need and ranked as high priority will receive the initial funding.

Why was ADEM chosen to administer the program?

ADEM was chosen to administer the water and sewer components of the ARPA funding due to its oversight of the Clean Water State Revolving Fund (sewer projects) and the Drinking Water State Revolving Fund. ADEM has more than 30 years of experience selecting and funding wastewater and water projects. Through these funds, ADEM has issued billions of dollars in loans over the years to sewer and water systems in the state.

Will the funds have to be repaid? Are there matching requirements?

The ARPA funds to be awarded are grants that do not have to be repaid. A portion of the funds, \$120 million for projects designated as emergency or high needs, does not require a local match. Another portion, up to \$100 million, will be awarded to water and sewer systems that may require local matching funds based on their ability to pay.

Are there ARPA funds available specifically for the Black Belt?

Yes. Up to \$5 million has been designated for wastewater demonstration projects in the Black Belt. These projects will target problems relating to soil conditions that prevent wastewater from septic systems being absorbed into the ground, failing sewer or septic systems, the use of “straight pipes” in the absence of a functioning septic system or sewer service, and other issues related to poor, sparsely populated, rural areas of the Black Belt.

How can I apply for drinking water or sewer funding?

Applications for ARPA funding should be made using ADEM’s State Revolving Fund pre-application forms. Use [Form 370](#) for Drinking Water applications, and [Form 340](#) for Clean Water (sewer) applications. Guidance for completing them are available on ADEM’s website. Here is a [link](#) to the page. Submit the forms to srf@adem.alabama.gov.

When must ARPA funding be utilized?

ARPA funding must be obligated by December 2024 and spent by December 2026.