

**BUILDING BACK BETTER: THE URGENT NEED  
FOR INVESTMENT IN AMERICA'S WASTEWATER  
INFRASTRUCTURE**

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(117-3)

**REMOTE HEARING**  
BEFORE THE  
SUBCOMMITTEE ON  
WATER RESOURCES AND ENVIRONMENT  
OF THE  
COMMITTEE ON  
TRANSPORTATION AND  
INFRASTRUCTURE  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

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FEBRUARY 23, 2021

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Committee on Transportation and Infrastructure  
U.S. House of Representatives  
Washington, DC 20515

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Ranking Member

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FEBRUARY 18, 2021

**SUMMARY OF SUBJECT MATTER**

TO: Members, Subcommittee on Water Resources and Environment  
FROM: Staff, Subcommittee on Water Resources and Environment  
RE: Subcommittee Hearing on “Building Back Better: The Urgent Need for Investment in America’s Wastewater Infrastructure”

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**PURPOSE**

The Subcommittee on Water Resources and Environment will meet in open session on Tuesday, February 23, 2021, at 11:00 a.m. in the Rayburn House Office Building, Room 2167, and by video conferencing via Cisco Webex, to receive testimony on “Building Back Better: The Urgent Need for Investment in America’s Wastewater Infrastructure.” The purpose of this hearing is to examine the current state of our clean water systems and receive testimony on the backlog of clean water infrastructure needs, current and future challenges, and the infrastructure affordability challenges facing communities and American households. The Subcommittee will hear from representatives of utilities, rural and tribal communities impacted by inadequate clean water infrastructure and affordability challenges, and the manufacturing and labor sectors who may offer recommendations for the Environmental Protection Agency (EPA) to address water infrastructure needs.

**BACKGROUND**

*CLEAN WATER INFRASTRUCTURE NEEDS*

America’s water infrastructure is in need of further financial investment. According to the American Society of Civil Engineers (ASCE) *Failure to Act Report*, America’s wastewater treatment infrastructure receives a grade of D+, which was included in ASCE’s *2017 Infrastructure Report Card*.<sup>1</sup>

According to EPA’s most recent (2012) needs survey, communities have documented at least \$271 billion of investment over the next 20 years to bring their systems to a state of good repair.<sup>2</sup> As this assessment is almost a decade old, the current need may be higher. Given the current level of Federal investment to address these needs, States and local governments are covering more than 95 percent of the cost of clean water projects.<sup>3</sup>

These statistics indicate a need for increased investment in our Nation’s water infrastructure, and the benefits are numerous. Investing in clean water creates thousands of domestic jobs in the construction industry and reduces the overall costs of

<sup>1</sup>American Society of Civil Engineers. 2017 Infrastructure Report Card. <https://www.infrastructurereportcard.org>.

<sup>2</sup><https://www.epa.gov/cwns/clean-watersheds-needs-survey-cwns-2012-report-and-data>.

<sup>3</sup>Congressional Budget Office. Public Spending on Transportation and Water Infrastructure, 1956 to 2017. October 2018. <https://www.cbo.gov/publication/54539>.

operating and maintaining that infrastructure. According to the National Utility Contractors Association, every \$1 billion invested in our Nation's water infrastructure creates or sustains nearly 28,000 jobs in communities across America, while improving public health and the environment at the same time.<sup>4</sup> In addition, clean water infrastructure helps prevent contamination of our Nation's waters that are relied upon by the recreational industry. People spend approximately \$70 billion per year on recreational boating and fishing; that industry employs more than 150,000 people.<sup>5</sup>

#### *IMPACTS OF COVID-19 ON WASTEWATER INFRASTRUCTURE INDUSTRY*

As a result of the pandemic, many households and communities across the nation are under financial strain. Accordingly, wastewater utilities are facing a decrease in revenue. The National Association of Clean Water Agencies (NACWA) estimates that the resulting financial impact on wastewater utilities will be around \$16.8 billion, including a 20 percent drop in sewer revenues.<sup>6</sup> These challenges are on top of existing long-term insufficient investment in the Nation's water infrastructure.

To help address these challenges, Congress included \$638 million in the Consolidated Appropriations Act of 2021 (P. L. 116-260) for the Department of Health and Human Services (Administration for Children and Families—Children and Families Services Programs) to prevent, prepare for, and respond to coronavirus, and for necessary expenses for grants to carry out a low-income household drinking water and wastewater emergency assistance program.<sup>7</sup>

#### *WASTEWATER INFRASTRUCTURE NEEDS OF TRIBAL COMMUNITIES*

While the majority of people living in the United States have access to high-quality drinking water and wastewater services, more than two million do not have access to adequate drinking water and sanitation.<sup>8</sup> A report from the U.S. Water Alliance and Dig Deep found that Native Americans are 19 times more likely than white households to lack indoor plumbing.<sup>9</sup> According to the Indian Health Service, in fiscal year (FY) 2018, the agency-identified sanitation deficiencies included 1,837 projects with a total estimated cost of \$2.78 billion.<sup>10</sup>

The Clean Water Indian Set-Aside (CWISA) program was established by the 1987 Amendments to the Clean Water Act (P.L. 100-4) to provide funding for wastewater infrastructure to American Indian Tribes and Alaska Native Villages. CWISA funds may be used for planning, design, and construction of wastewater collection and treatment systems. The EPA administers CWISA in cooperation with the Indian Health Service Sanitation Facilities Construction program.

Section 518(c)(2) of the Clean Water Act authorizes between 0.5 and 2 percent of the overall appropriations for the Clean Water State Revolving Fund (Clean Water SRF) for the CWISA program. Since FY 2016, Congress has appropriated either two percent of the Clean Water SRF or \$30 million, whichever is greater, for the CWISA program.

<sup>4</sup> Statement of Doug Carlson, CEO, National Utility Contractors Association, before the Senate Committee on Environment and Public Works hearing, entitled "Information Gathering-Process on Draft Legislation" (April 27, 2020) ([https://www.nuca.com/files/Gov%20Relations/EPW%20Water%20Infrastructure%20Legislation\\_NUCA%20Statement\\_April%2027%202020\\_FINAL.pdf](https://www.nuca.com/files/Gov%20Relations/EPW%20Water%20Infrastructure%20Legislation_NUCA%20Statement_April%2027%202020_FINAL.pdf))

<sup>5</sup> EPA 2012. The importance of Water to the US Economy, Part 1: Background Report. Office of Water, US Environmental Protection Agency. September 2012.

<sup>6</sup> National Association of Clean Water Agencies (NACWA), Recovering from Coronavirus (NACWA), [https://www.nacwa.org/docs/default-source/resources---public/water-sector-covid-19-financial-impacts.pdf?sfvrsn=98f9ff61\\_2](https://www.nacwa.org/docs/default-source/resources---public/water-sector-covid-19-financial-impacts.pdf?sfvrsn=98f9ff61_2).

<sup>7</sup> The appropriation for this low-income household grants provision in the Consolidated Appropriations Act of 2021 went to the Department of Health and Human Services, and therefore is not under the jurisdiction of the House Committee on Transportation and Infrastructure. However, the provision is expected to benefit municipal wastewater utilities, which are under the Transportation and Infrastructure Committee's jurisdiction, by helping utilities make up some of the sewer revenues they have lost.

<sup>8</sup> US Water Alliance and DigDeep, Closing the Water Access Gap: A National Briefing Paper (DigDeep Right to Water Project and US Water Alliance, 2019), [http://uswateralliance.org/sites/uswateralliance.org/files/publications/Closing%20the%20Water%20Access%20Gap%20in%20the%20United%20States\\_DIGITAL.pdf](http://uswateralliance.org/sites/uswateralliance.org/files/publications/Closing%20the%20Water%20Access%20Gap%20in%20the%20United%20States_DIGITAL.pdf).

<sup>9</sup> Id.

<sup>10</sup> Annual Report to Congress of the United States on Sanitation Deficiency Levels for Indian Homes and Communities. Fiscal Year 2018. Indian Health Service Office of Environmental Health and Engineering Division of Sanitation Facilities Construction.

*CLEAN WATER ACT AFFORDABILITY*

Communities and governments at all levels face growing challenges in effectively managing the water resources necessary to support growing and shifting populations, thriving residential, commercial, industrial, and agricultural sectors, and healthy and productive natural environments. Many local governments also face complex affordability challenges—with some communities addressing shrinking rate bases, while others with growing populations facing increasing segments of their rate base that are unable to afford the rising costs of clean water. In short, local infrastructure needs can disproportionately impact those communities across the country least able to afford necessary repairs, replacements, and upgrades. Nationwide, water utilities and communities of all sizes seek to ensure clean, safe, accessible, and affordable water, all the while dealing with the challenges of extreme weather events and mounting concerns regarding water quality and quantity.

In 2017, the National Academy of Public Administration issued a report that examined the challenges local communities face in providing clean, safe, and affordable water and wastewater services.<sup>11</sup> This report concluded that the governmental responsibility to assure clean water that is also affordable to both communities and individuals has become an increasing challenge.<sup>12</sup>

First, the report recognized that water infrastructure in the United States is aging, imposing additional costs on communities to both upgrade and maintain deteriorating infrastructure from deferred maintenance.<sup>13</sup> Second, the report recognized the costs to communities to come into compliance with the Clean Water Act as an additional factor, and highlighted the importance of more cost-effective and innovative solutions, such as increased use of green-infrastructure approaches, stormwater recapture and reuse, and integrated planning, to address these challenges.<sup>14</sup> Finally, the report highlighted how affordability is an especially critical issue for low-income customers throughout the United States, noting that, while average annual expenditures for water are generally low relative to other utilities, they represent a higher share of income for those with the lowest 20 percent of income.<sup>15</sup>

In the 115th Congress, Congress approved two bills to address some of the challenges highlighted in the NAPA report. First, Congress approved the America's Water Infrastructure Act of 2018 (P. L. 115–270), which, among other things, expanded the eligibility for Clean Water Act grants to address sewer overflows and to capture, treat, and reuse wastewater and stormwater runoff. In addition, Congress passed the Water Infrastructure Improvement Act (P. L. 115–436), which codified the “integrated planning” concept that helps communities by providing them greater flexibility in meeting their requirements under the Clean Water Act while maintaining their obligation to achieve improvements in local water quality, as well as incorporating the use of green infrastructure approaches into the permitting and enforcement provisions of the Clean Water Act.

In addition, several bills to address wastewater affordability concerns have been proposed and debated in the 115th and 116th Congresses. One approach would amend the Clean Water Act to address the issue of water affordability at the household level by providing Federal assistance directly to utilities who would then apply those resources to cover the individual household costs for water and wastewater service rates.<sup>16</sup> This is similar to the approach taken in the Consolidated Appropriations Act of 2021 (P. L. 116–260) to address water and wastewater rate assistance in response to the COVID–19 outbreak. A second approach, such as that included in H.R. 1497 (as reported) and H.R. 2 (as passed the House) from the 116th Congress, would utilize existing Clean Water Act infrastructure investment authorities, such as the Clean Water SRF (title VI of the Clean Water Act), the Sewer Overflow and Stormwater Reuse Municipal Grants program (section 221 of the Clean Water Act), and other grant programs to provide communities with a greater share of Federal financial assistance in the form of a grant rather than a traditional Clean Water SRF loan.

<sup>11</sup> National Academy of Public Administration. *Developing a New Framework for Community Affordability of Clean Water Services*. October 2017. <https://www.napawash.org/studies/academy-studies/developing-a-new-framework-for-community-affordability-of-clean-water-servi>.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> H.R. 2328, the Low-Income Sewer and Water Assistance Program Act of 2017 (115th Congress); H.R. 4832, the Low-Income Sewer and Water Customer Assistance Program Act of 2019 (116th Congress).

*FEDERAL CLEAN WATER INVESTMENT: CLEAN WATER STATE REVOLVING FUND*

For close to 80 years, Congress has provided Federal funds to municipalities to address local water quality challenges, including sewage treatment needs. Initially, this assistance was provided as direct grants to municipalities (covering 55 to 75 percent of the total costs of the projects). However, in 1987, Congress converted the direct grant program to a Clean Water SRF authority that provides funding directly to States which, in-turn, provide below-market rate loans to communities to finance local wastewater infrastructure needs (required to be fully repaid over a 30-year term).

The authorization of appropriations for the Clean Water SRF expired after 1994. Yet, Congress continues to fund this critical investment in our Nation's wastewater infrastructure through annual appropriations bills—providing more than \$46 billion in Federal capitalization assistance to States since 1987—including an appropriation of \$1.638 billion for the Clean Water SRF in the Consolidated Appropriations Act of 2021. In turn, according to the EPA this infusion of Federal capital to State revolving funds has leveraged over \$138 billion in direct assistance to communities over this period.<sup>17</sup>

In 2014, Congress enacted amendments to the Clean Water Act which authorized States that provide assistance to communities under the Clean Water SRF program, to provide additional subsidization, including forgiveness of principal and negative interest loans to benefit a municipality that meets the affordability criteria of the State; or that seeks additional subsidization to benefit individual ratepayers in the municipality's residential user rate class that will experience a significant hardship from the increase in rates necessary to finance the project or activity for which assistance is sought.<sup>18</sup> In addition, in recent years, the annual appropriations bill for the EPA has included additional provisions to require States to use a portion of Clean Water SRF funding to provide communities with “additional subsidy to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants” as well as to reserve an additional portion of Clean Water SRF funding for “projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.”<sup>19</sup>

In the 116th Congress, the Committee on Transportation and Infrastructure approved H.R. 1497, the Water Quality Protection and Job Creation Act of 2019, by voice vote, and similar legislation was approved by the House as part of H.R. 2, the Moving Forward Act. This legislation would have reauthorized and increased the authorized level of Federal appropriations for the Clean Water SRF program at levels more commensurate with local water infrastructure needs, as well as reauthorized several existing Clean Water Act grant authorities. In addition, this legislation would have extended the existing green infrastructure reserve,<sup>20</sup> established set-asides of Federal resources for rural and small communities, codified set-asides for Indian Tribes and U.S. Territories, and included several provisions to address the cost of wastewater service to low-income customers and households. H.R. 1497 would also have made changes to the Clean Water Act regulatory program to allow National Pollutant Discharge Elimination System (NPDES) permits for certain municipalities of up to 10 years, as well as established a process to prevent States from “administratively” extending permits beyond their statutorily-defined duration (typically five years) without review and updating. These regulatory provisions were not included in H.R. 2. No further action was taken on these proposals in the 116th Congress.

<sup>17</sup> <https://www.epa.gov/newsreleases/epa-highlights-increased-investment-water-infrastructure-through-state-revolving-funds>

<sup>18</sup> Section 5003 of Pub. L. 113–121.

<sup>19</sup> The Consolidated Appropriations Act of 2021 requires States to utilize 10 percent of their Clean Water SRF capitalization grant for this subsidy/grant component, and 10 percent of their capitalization grant for green infrastructure and water and energy efficiency projects.

<sup>20</sup> This provision requires States, to the extent that there are sufficient projects or activities eligible for assistance, to utilize not less than 15 percent of their Clean Water SRF capitalization grant for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

WITNESSES

- David J. Berger, Mayor, City of Lima, Ohio, *on behalf of the U.S. Conference of Mayors*
- Bill Sterud, Chairman, Puyallup Tribal Council, Tacoma, Washington
- OJ McFoy, General Manager, Buffalo Sewer Authority, *on behalf of the National Association of Clean Water Agencies*
- Tom Teske, Vice President and General Manager, EJ Americas, East Jordan, Michigan
- Brenda Coley, Co-Executive Director, Milwaukee Water Commons, Milwaukee, Wisconsin
- David Mallino, Legislative and Political Director, Laborers' International Union of North America



# **BUILDING BACK BETTER: THE URGENT NEED FOR INVESTMENT IN AMERICA'S WASTE- WATER INFRASTRUCTURE**

**TUESDAY, FEBRUARY 23, 2021**

U.S. HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON WATER RESOURCES AND  
ENVIRONMENT,  
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,  
*Washington, DC.*

The subcommittee met, pursuant to call, at 11:01 a.m., in room 2167 Rayburn House Office Building and via Cisco Webex, Hon. Grace F. Napolitano (Chair of the subcommittee) presiding.

Present in person: Representatives Garamendi, Carbajal, Stanton, Rouzer, Babin, Mast, and Mace.

Present remotely: Representatives Napolitano, DeFazio, Huffman, Johnson of Texas, Lowenthal, Malinowski, Pappas, Bourdeaux, Wilson of Florida, Delegate Norton, Webster, Katko, Weber, and Resident Commissioner González-Colón.

Mrs. NAPOLITANO. Welcome to the first hearing of the Subcommittee on Water Resources and Environment for the 117th Congress. I call this hearing to order and ask unanimous consent that the chair be authorized to declare a recess at any time during today's hearing. And without objection, so ordered.

[Audio lost briefly.]

Mrs. NAPOLITANO. Today's hearing focuses on the tremendous clean water infrastructure needs facing our country, and on the challenges facing both our communities—large and small, urban, rural and Tribal—as well as our American families, in addressing these needs. It is a privilege to serve as the chairwoman of this subcommittee. I am pleased to be joined by my colleague and ranking member, Congressman Rouzer from Wilmington, North Carolina. We had a great meeting a few weeks ago, and I look forward to working with him.

I also welcome the new Members to the subcommittee: Carolyn Bourdeaux of Georgia; Eleanor Holmes Norton from the District of Columbia; Greg Stanton of Arizona; Steve Cohen of Tennessee; John Katko, my friend and cochair of the Mental Health Caucus of New York; and Nancy Mace of South Carolina.

The subcommittee will have a busy agenda in the 117th Congress, and I pledge to continue the longstanding tradition of this subcommittee to work in a bipartisan fashion trying to address the priorities of all Members, and being respectful when we disagree.

We have an ambitious but achievable agenda this Congress. We will hold hearings on WRDA 2020 implementation and lay the groundwork for the enactment of the new WRDA bill in 2022. We will want to hear from stakeholders about the implementation of Congress' changes to the Harbor Maintenance Trust Fund. We will look at ways to make our communities more resilient and learn about how we can use natural infrastructure, water recycling, my favorite subject, and other tools.

We also plan to look at ways to ensure Tribal communities and disadvantaged communities are included in the planning process for all water infrastructure projects in their communities. We will strive to present a water infrastructure financing bill that not only reauthorizes the Clean Water State Revolving Fund, or the SRF, but also seeks to provide greater assistance to rural and Tribal communities, to address the affordability challenges facing all our communities, and to encourage innovative energy efficiency and green infrastructure projects.

Last Congress, the House passed H.R. 2 that would have reauthorized the SRF. It would also have addressed a number of the issues we will be discussing today, including the need to help rural and Tribal communities, and the need to invest in water reuse and recycling projects. The SRF did not pass the Senate last year, but we will try again soon.

Finally, we will renew our constitutional obligation to exercise congressional oversight over implementation of the laws within our subcommittee's jurisdiction.

And before we begin, a few reminders, since we are participating remotely. As chair of today's hearing, I will make a good-faith effort to provide every Member experiencing connectivity issues an opportunity to fully participate in the proceedings. If a Member is experiencing any connectivity issues or other technical problems, please inform committee staff as soon as possible so you can receive assistance. A chat function is available for Members on the Cisco Webex platform for this purpose, and they can also call the committee's main phone line at (202) 225-4472—again, (202) 225-4472—for technical assistance by phone.

And finally, to insert a document into the record, please have your staff email it to DocumentsT&I@mail.house.gov.

Now for my opening statement on the topic of this hearing.

Today, our Nation's network of sewers, stormwater conveyances, and treatment facilities is aging, often outdated, and in many places, not meeting the needs of our communities or water quality standards. The American Society of Civil Engineers gave America's wastewater infrastructure a grade of D-plus—D-plus—in its 2017 Infrastructure Report Card. A new ASCE Report Card is expected soon, but we expect another poor, low grade.

According to the EPA, communities report a need of \$271 billion of investment over the next 20 years to bring their wastewater treatment systems up to date in a state of good repair. The need for sanitation infrastructure on Tribal lands totals \$2.78 billion. Yet these statistics only tell half the story.

As noted by our witnesses here today, many communities also face the challenge of ensuring that water and sewer utilities remain affordable to those living in their community. As communities

of all sizes seek to improve the quality, safety, and reliability of their water utilities, we must give them a voice as they often struggle to also address the challenges of declining rate bases, lower income households, and other competing local needs. All of these factors compel us to find ways to make water quality improvements more affordable to all our communities.

Congress has already taken significant steps to help meet this challenge. Through enactment of integrated planning legislation and the promotion of nature-based or green infrastructure alternatives to addressing local water quality challenges, we have provided tools to all communities to develop more cost-effective, long-term plans to meeting local water challenges.

Getting the message directly to those involved is also a challenge. However, more needs to be done. We have to find ways to make sure the cost of Federal financing is affordable to all communities and get them to the table to access this financing.

One significant step that is long overdue is to reauthorize the Clean Water State Revolving Fund, SRF, a goal that has eluded this Congress for almost 30 years. As witnesses note, this program is universally important to providing affordable financing to urban and rural communities alike, and its successes are typically limited only by a lack of available funding sources. We are planning to soon reintroduce the Water Quality Protection and Job Creation Act to reauthorize the Clean Water SRF, and I urge all our Members to support this effort to address local water quality challenges.

However, for those communities where a State Revolving Fund is still not enough to address local affordability needs, we need to ensure other tools are available. We need to fund targeted clean water grants, such as those authorized for combined and sanitary sewer overflows, and stormwater capture and reuse in the 2018 Water Resources Development Act.

Rural communities face a unique set of challenges. They tend to be small and do not have a rate base large enough to shoulder expensive, major infrastructure projects while maintaining affordable rates. Often, rural communities do not have the technical expertise necessary to design wastewater projects or to even complete the technical documents necessary to apply for funding.

In addition, rural communities may have to apply to multiple State or Federal programs to obtain the assistance they need, and the duplicative application requirements can make it costly and time consuming to complete. I urge all of our Members to pay very close attention. Listen to the stories and reflect on the real challenges all our American families face every day in obtaining safe and affordable water and wastewater services.

[Mrs. Napolitano's prepared statement follows:]

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**Prepared Statement of Hon. Grace F. Napolitano, a Representative in Congress from the State of California, and Chair, Subcommittee on Water Resources and Environment**

Today, our nation's network of sewers, stormwater conveyances, and treatment facilities is aging, often outdated, and, in many places, not meeting the needs of our communities or water quality standards.

The American Society of Civil Engineers recently gave America's wastewater infrastructure a grade of a D+ in its 2017 Infrastructure Report Card. According to

the Environmental Protection Agency, communities report a need of \$271 billion of investment over the next 20 years to bring their wastewater treatment systems to a state of good repair. The need for sanitation infrastructure on tribal lands totals \$2.78 billion.

Yet, these statistics only tell half the story.

As noted by our witnesses here today, many communities also face the challenge of ensuring that water and sewer utilities remain affordable to those living in the community.

As communities of all sizes seek to continuously improve the quality, safety, and reliability of their water utilities, we must give them a voice as they often struggle to also address challenges of declining rate bases, lower-income households, and other competing local needs.

All of these factors compel us to find ways to make water quality improvements more affordable to all our communities.

Congress has already taken significant steps to help meet this challenge. Through enactment of integrated planning legislation and the promotion of nature-based or green infrastructure alternatives to addressing local water quality challenges, we have provided tools to all communities to develop more cost-effective, long-term plans to meeting local water quality challenges. Getting the message directly to those involved is also a challenge.

However, more needs to be done.

We have to find ways to make sure the cost of Federal financing is affordable to all of our communities and get them to the table to access this financing.

One significant step that is long overdue is to reauthorize the Clean Water State Revolving Fund—a goal that has eluded this Congress for almost 30 years.

As witnesses note, this program is universally important to providing affordable financing to urban and rural communities alike, and its successes are typically limited only by a lack of available funding resources.

We are planning to soon re-introduce the Water Quality Protection and Job Creation Act to reauthorize the Clean Water SRF, and I urge all our members to support this effort to address local water quality challenges.

However, for those communities where a State Revolving Fund loan is still not enough to address local affordability needs, we need to ensure other tools are available. We need to fund targeted clean water grants, such as those authorized for combined, and, sanitary sewer overflows and stormwater capture, and reuse in the 2018 Water Resources Development Act.

Rural communities face a unique set of challenges. They tend to be small and do not have a rate base large enough to shoulder expensive, major infrastructure projects while maintaining affordable rates. Often, rural communities do not have the technical expertise necessary to design wastewater projects or even to complete the technical documents necessary to apply for funding.

In addition, rural communities may have to apply to multiple state or federal programs to obtain the assistance they need, and the duplicative application requirements can make it costly and time consuming to complete the application process. Last Congress, one of our witnesses told us about the unique challenges her rural community in Lowndes, Alabama faced—and still face today. We need to look at new and innovative ways to make progress on addressing the needs of our rural communities.

We also need explore whether the Federal government can play a long-term role in helping subsidize the cost of clean water for households in poverty, as we do today for household heating and cooling costs through the Low Income Home Energy Assistance Program, or LIHEAP. In the COVID relief package passed at the end of last Congress, we included \$638 million in ratepayer assistance funds for families struggling to pay their water bills. We should look at whether or not this program should be continued on a permanent basis.

In addition, we should look at how we can improve upon existing water reuse and recycling programs to help those communities where water is a sparse commodity.

Before us, we have a distinguished panel of witnesses that can talk about real-world examples of where our network of clean water infrastructure works, where it does not, and where we can do better.

I urge all of our members to pay attention, listen to their stories and to reflect on the real challenges American families face, every day, in obtaining clean, safe, and affordable water and wastewater services.

Mrs. NAPOLITANO. At this time, I am pleased to yield to my colleague, the ranking member of the subcommittee, Mr. Rouzer, for any thoughts he may have. Mr. Rouzer?

Mr. ROUZER. Thank you, Madam Chair. And I, too, enjoyed our visit the other week, enjoyed it a great deal, in fact.

I want to thank our witnesses for participating in this hearing today. I am happy we have such a diverse panel so that we can gain your perspectives on the issues facing local communities in addressing the Nation's water and wastewater infrastructure needs.

These needs, as we all know, are substantial and they continue to grow. In many communities, water and wastewater infrastructure is long past its design life and in need of urgent repair, replacement, and upgrading. As a result, leaks and blockages are all too common across the Nation and represent a massive waste of a vital and sometimes scarce resource.

Additionally, the needs are especially urgent for hundreds of communities trying to remedy the problem of combined sewer overflows, CSOs, and sanitary sewer overflows, also known as SSOs. Shrinking municipal budgets, insufficient independent financing capabilities, and increasingly burdensome regulations without the necessary Federal support have strained communities' efforts to address these critical needs.

This is especially the case for many of our small and rural communities that many of us all around the country represent. According to EPA, the total documented needs for sustainable water infrastructure, CSO and SSO correction, and stormwater management across our great country total at least \$270 billion over the course of the next 20 years. The needs for drinking water infrastructure drive this figure to more than \$600 billion—and these are considered fairly conservative estimates. In my home State of North Carolina alone, \$11 billion will be needed for clean water needs such as wastewater treatment systems and sanitary sewers over the next 20 years.

So with talk of a major infrastructure package, today we need to ask the not-so-simple questions: What funding level is both appropriate and realistic? And how are we going to pay for it? Talk of authorizing enormous dollar amounts is not going to address these needs since unrealistically high dollar numbers that will never get funded create a false hope and ultimately solve nothing.

I believe it is going to take an all-hands-on-deck approach to reverse the decline of our Nation's water infrastructure. Federal, State, and local investment will be necessary, but cannot be relied upon to solve all of the problems. Instead, we need to move away from business as usual and utilize every tool available. This means searching for new sources of funding, increasing collaboration between the public and private sectors, and improving how Federal regulations are implemented, or deciding that they are not needed at all.

We need smarter asset management, increased efficiencies in our water systems, and to achieve that, we need to incentivize the adoption of new and innovative technologies that will cut costs and improve water quality. In addition, communities, particularly those that are struggling to address their needs and reduce the financial burdens on households, need to be giving greater regulatory flexibility, including through the implementation of a vibrant integrated planning and permitting approach in addressing the compliance mandates that have been imposed upon them.

It has been 10 years since EPA developed its first guidance for implementing integrated planning, but the agency has been slow to work with States and communities to develop the most effective and cost-efficient approaches for meeting clean water objectives. Two years ago, legislation that codified EPA's integrated planning initiative was enacted. EPA now needs to work with the States and effectively implement the initiative to help communities meet their needs in a more cost-efficient manner.

We need to carefully prioritize our investments in water infrastructure to ensure that we are adequately protecting the public health, promoting the economic growth of our communities, and preventing the degradation of the environment.

I look forward to hearing the thoughts from our witnesses today on these very important and pressing issues. Madam Chair, I yield back.

[Mr. Rouzer's prepared statement follows:]

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**Prepared Statement of Hon. David Rouzer, a Representative in Congress from the State of North Carolina, and Ranking Member, Subcommittee on Water Resources and Environment**

Thank you, Chair Napolitano, and thank you to our witnesses for participating in this hearing today. I'm happy we have such a diverse panel here so that we can gain your perspectives on the issues facing local communities in addressing the Nation's water and wastewater infrastructure needs. These needs are substantial, and they continue to grow.

In many communities, water and wastewater infrastructure is long past its design life and in need of urgent repair, replacement, and upgrading. As a result, leaks and blockages are all too common across the Nation and represent a massive waste of a vital, and sometimes scarce, resource.

Additionally, the needs are especially urgent for hundreds of communities trying to remedy the problem of combined sewer overflows (or CSOs) and sanitary sewer overflows (or SSOs). Shrinking municipal budgets, insufficient independent financing capabilities, and increasingly burdensome regulations without the necessary Federal support have strained communities' efforts to address these critical needs. This is especially the case for many of our small and rural communities.

According to EPA, the total documented needs for sustainable wastewater infrastructure, CSO and SSO correction, and stormwater management in our Nation are at least \$270 billion over the next 20 years. The needs for drinking water infrastructure drive this figure to more than \$600 billion—and these are considered conservative estimates.

In North Carolina alone, \$11 billion will be needed for clean water needs such as wastewater treatment systems and sanitary sewers over the next 20 years.

So with talk of a major infrastructure package, today we need to ask the not-so-simple questions: What funding level is both appropriate and realistic? And how are we going to pay for it?

Talking about authorizing enormous dollar amounts is not going to address these needs, since unrealistically high dollar numbers that will never get funded create a false hope and solve nothing. I believe it is going to take an all-hands-on-deck approach to reverse the decline of our Nation's water infrastructure.

Federal, state, and local investment will be necessary, but cannot be relied upon to solve all our problems.

Instead, we need to move away from "business as usual" and utilize every tool available.

This means searching for new sources of funding, increasing collaboration between the public and private sectors, and improving how Federal regulations are implemented.

We need smarter asset management and increased efficiencies in our water systems, and to achieve that, we need to incentivize the adoption of new and innovative technologies that will cut costs and improve water quality.

In addition, communities—particularly those that are struggling to address their needs and reduce the financial burdens on households—need to be given greater

regulatory flexibility, including through the implementation of a vibrant integrated planning and permitting approach, in addressing the compliance mandates that have been imposed on them.

It's been ten years since EPA developed its first guidance for implementing integrated planning, but EPA has been slow to work with states and communities to develop the most effective and cost-efficient approaches for meeting clean water objectives. Two years ago, legislation that codified EPA's integrated planning initiative was enacted. EPA now needs to work with the states and effectively implement the initiative to help communities meet their needs in a more cost-efficient manner.

We need to carefully prioritize our investments in water infrastructure to ensure that we are adequately protecting the public health, promoting the economic growth of our communities, and preventing the degradation of the environment.

I look forward to hearing the thoughts from our witnesses today on these issues.

Mrs. NAPOLITANO. Thank you, Mr. Rouzer.

Mr. DeFazio, you are recognized.

Mr. DEFazio. Thank you, Madam Chair. And thanks to the ranking member for his thoughts.

We are setting a very ambitious number, or want to, for the SRF reauthorization. The estimates by the National Utility Contractors Association is \$1 billion invested creates 28,000 good-paying jobs.

There has been a lot of carrying on about the President canceling the XL pipeline. Well, that would have created, one time, 10,000 jobs, but would have also destroyed the boreal forests of Canada, dramatically accelerated climate change with the dirtiest fuel possible, et cetera. How about we do something that actually helps the environment and makes this a healthier country to live in? Let's invest in our wastewater infrastructure.

It is a realistic number. We can get there very easily. For instance, my transaction tax to drive out the parasite speculators on Wall Street who front-run the market with supercomputers would raise \$77 billion a year. Now, is it better to let them become billionaires, providing a useless product and driving up stock prices for everybody else? Or would it be better to say, hey, let's rebuild the Nation's wastewater infrastructure. Wow, and if we invested \$5 billion a year, that would be 140,000 jobs a year, good jobs, Davis-Bacon jobs, jobs that provide for a very good living wage and also for benefits like healthcare and other things.

We have new challenges. As has been noted both by the chair and the ranking member, systems are aging out. They are being overwhelmed by population growth. They are being overwhelmed by severe weather events due to climate change. These are real problems, and we have to get ahead of this. We have to plan for the future.

Systems go underwater in hurricanes; that has happened in the ranking member's district and in other districts around the country. I have a system in my district that is at a very severe risk of flooding and contaminating two very large lakes. And also I have a beach area in Oregon, Sunset Bay, which is one of the most polluted beaches in the country because of the combined sewer overflows.

We cannot afford not to make these investments, and we cannot put all of the burden on the cities and counties and the individual ratepayers to do this. We need to spread that a little more widely because water does not observe State boundaries, city lines, State lines, county lines, or anything. This is an investment for all Americans. We did this 50 years ago and we cannot do it now? That is

just extraordinary to me. How puny do you think we have become? We are better than that.

We can meet these challenges today. When I was a county commissioner, we had a 75-percent Federal match to build our system. And we have since continually upgraded it. The population of the area has tripled. And we have still got capacity in that system.

So these investments will yield huge benefits—economic benefits, returns to cities, counties, States, and the Federal Government in terms of taxes and economic activity, with good, safe growth that does not jeopardize the environment.

So I am going to push for a very ambitious number, and then we are going to find ways to pay for it. We are not going to be puny and say, sorry, we cannot help you. At the current level of investment, it would take 171 years to bring the existing systems up to a state of good repair, and that does not even include areas that do not have systems, like Tribal Territories and others. So that is not acceptable. And I believe this administration, as part of their package, will adopt very ambitious goals in their infrastructure bill.

And then the one other thing that I want to add into this is, as much as possible, we want to use natural systems. I have something called the—oh, I have got to remember it—but it made the list that McCain used to put out because it was supposedly—oh, Falling Waters, because—they actually use a very large natural area to do their tertiary treatment, and it is actually a pleasant park area because it is tertiary treatment.

And so we want to look at incorporating natural systems wherever we can. And we also want to incentivize the wastewater districts to capture their methane, 26 times as potent as CO<sub>2</sub> in causing climate change. We can. And I was inspired by testimony 2 years ago from a sewer district in New Jersey that rebuilt their system, captured their methane, generated their own electricity, and sold electricity onto the grid, had a new system, and did not have to substantially raise their rates, and helped the environment.

So there are better ways to do this, innovative and interesting ways to do this, using 21st-century technology. And I look forward to hearing from the witnesses today about their ideas on how we can accomplish these goals. Thank you, Madam Chair.

[Mr. DeFazio's prepared statement follows:]

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**Prepared Statement of Hon. Peter A. DeFazio, a Representative in Congress from the State of Oregon, and Chair, Committee on Transportation and Infrastructure**

Thank you, Madam Chairwoman, and congratulations on holding the first hearing of the Subcommittee on Water Resources and Environment for the 117th Congress.

Today's hearing will highlight the tremendous infrastructure needs facing this nation, as well as the consequences to everyday Americans from Congress's failure to invest in our water-related infrastructure systems.

As I have mentioned many times before, in the days before enactment of the Clean Water Act, our nation's waters were so polluted that they typically were unsafe for swimming, were unable to support life, or they literally caught fire.

Recognizing that we needed to do things differently and that pollution does not respect political or state boundaries, Congress enacted a comprehensive, national

water pollution control program and provided states and communities with substantial funding to help address local water quality challenges.

In the years immediately following the Clean Water Act, significant progress was made in cleaning up our waters. Yet, in recent years, the importance of safe, reliable, and affordable water systems has, again, become front page news all across the country.

Cities, like Flint, Detroit, and Toledo, are now more well-known for water contamination than likely any other issue. Just a quick internet search for the term “sewer overflow” will produce hundreds of other American cities—large and small—that are operating in a 21st century economy with antiquated, undersized, or crumbling water-related infrastructure. Even in my own district, the Sunset Bay State Park near Coos Bay was listed as one of America’s Dirtiest Beaches because of local sewer overflows and stormwater runoff.

All these stories remind us of what we already should know—that our nation’s network of water infrastructure is aging, outdated, and in desperate need of repair. In addition, our water-related infrastructure is woefully inadequate to adapt to a changing climate, and to the extreme weather events and coastal storms that have become the norm.

Numerous studies and reports have documented the poor national condition of our water infrastructure and the growing financial gap between infrastructure needs and available resources.

According to the most recent U.S. Environmental Protection Agency (EPA) Clean Water Needs Survey, States have documented a need for \$271 billion in investment over the next 20 years—that’s almost \$14 billion needed annually for wastewater infrastructure—and it is likely this estimate, which is now almost a decade old, significantly underestimates the REAL need.

And yet, do you know how much the Federal government is ACTUALLY investing in wastewater infrastructure annually? About \$1.6 billion in the fiscal year 2021 appropriations bill.

At our current rate of federal investment, it will take us almost 170 years just to address existing wastewater infrastructure needs, and that doesn’t include investments to address the challenges posed by climate change, extreme weather events, and the resilience of our water utilities.

Last Congress, this Committee and the House passed multiple proposals to restore the federal commitment to investing in our Nation’s wastewater infrastructure. H.R. 2, the Moving Forward Act, included \$40 billion in federal investment in the Clean Water State Revolving Fund to help address the \$271 billion backlog in clean water needs. It also established minimum allocations for rural and small communities for water infrastructure investment.

The legislation attempted to address affordability concerns by ensuring a minimum of 10 percent of annual Clean Water SRF funding would be in the form of grants or other financial assistance to help communities ensure the affordability of wastewater service to households that may have difficulty making ends meet.

H.R. 2 would have boosted resilience and green infrastructure investments by requiring states to use a minimum of 15 percent of their annual SRF capitalization grants for natural or nature-based approaches to addressing local water quality challenges. The legislation encouraged the use of technologies that recapture and reuse energy produced from the treatment of wastewater, such as methane recapture.

To address concerns with resiliency of wastewater treatment works, the legislation established a new clean water grant authority for communities to assess and address vulnerabilities of wastewater utilities to manmade or natural disasters.

The legislation attempted to address the concerns of inequity on tribal lands, by establishing a statutory allocation formula for the distribution of funds among the states and codified the allocation for tribes and the U.S. territories.

H.R. 2 also would have helped prevent the discharge of industrial chemicals and put \$1 billion in new Federal assistance towards helping communities address ongoing contamination of waterways by polyfluoroalkyl substances (PFAS) or “forever chemicals.”

Clean, safe, and reliable water is a basic human right and we should all fight against efforts to weaken those protections.

Communities throughout the country are generally trying to do the right thing—to ensure clean, safe, and reliable water services to their citizens.

However, Congress must do its part as well to ensure that we meet the Clean Water Act’s “fishable and swimmable” goals established almost 50 years ago and do so in a manner that is affordable for all hard-working American families.

Thank you, Madam Chairwoman.

Mrs. NAPOLITANO. Thank you, Mr. DeFazio.

And now I would like to yield some time to the ranking member of the committee, Mr. Graves, if he is available. Mr. Graves?

[No response.]

Mrs. NAPOLITANO. I guess he is not there yet. So I will go on to the next item. Before we proceed, I ask unanimous consent to insert into the record the following statements: a statement from committee member Representative Strickland; a statement by the NAACP Legal Defense and Educational Fund; a statement by the National Utility Contractors Association; a statement by the Clean Water for All Coalition; a statement by the Ohio Environmental Council; a statement by the WaterReuse Association; and a statement by the American Society of Civil Engineers.

Without objection, it is so ordered.

[The identified statements follow:]

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**Statement of Hon. Marilyn Strickland, a Representative in Congress from the State of Washington, in Support of the Testimony of Puyallup Tribe Chairman Bill Sterud, Submitted for the Record by Hon. Grace F. Napolitano**

Distinguished members of the subcommittee—it is an honor to have the opportunity to discuss these important issues. First and foremost, I extend my sincere thanks to Chairwoman Napolitano and Chairman DeFazio for working with my office to extend an invitation to the Puyallup Tribe to testify at today's hearing.

Any conversation on wastewater infrastructure and the dire need for investment must include Tribal voices at the table. Chairwoman Napolitano and Chairman DeFazio understand that fundamental truth, and I am heartened that the Puget Sound, Washington's 10th Congressional District, and the needs of the Puyallup Tribe are well-represented through the testimony of Chairman Bill Sterud. I thank him for his participation and leadership.

As reflected in Chairman Sterud's testimony, it is clear that the Congress must renew our investment in the Clean Water State Revolving Fund (SRF), a key tool for our Tribes and communities. The Environmental Protection Agency projected that at least \$271 billion in investment over 20 years is required to sufficiently repair our wastewater treatment infrastructure.

I echo Chairman Sterud's testimony in highlighting both the health and infrastructure disparities for Tribal communities. The Indian Health Service estimates that the current water infrastructure sanitation needs for Native American homes and communities is \$2.78 billion. Approximately 30 percent of homes across our nation's Tribes require sanitation facility improvements. I stand with the Puyallup Tribe and the Chairman in supporting an increase to the Clean Water Indian Set-Aside (CWISA) program, because our Tribes' health and wellbeing depend on it. I look forward to working with the Chairwoman this Congress on this, and other issues to support our water infrastructure.

I want to close by emphasizing that in the wake of a global pandemic, our Tribal communities need federal investment now more than ever. I am looking forward to working with the distinguished members on this committee to ensure that "building back better" is not just a slogan, but a mandate to improve our communities. Thank you very much for your time.

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**Letter of February 19, 2021, from Lisa Cylar Barrett, Director of Policy, and Coty Montag, Senior Counsel and TMI Researcher, NAACP Legal Defense and Educational Fund, Inc., Submitted for the Record by Hon. Grace F. Napolitano**

FEBRUARY 19, 2021.

Hon. PETER A. DEFAZIO,  
Hon. SAM GRAVES,  
U.S. House of Representatives,  
Committee on Transportation and Infrastructure, 2165 Rayburn House Office Building, Washington, DC.

Re: Written Testimony for Hearing Entitled “Building Back Better: The Urgent Need for Investment in America’s Wastewater Infrastructure”

DEAR CHAIRMAN DEFAZIO AND RANKING MEMBER GRAVES:

The NAACP Legal Defense and Educational Fund, Inc. (LDF) appreciates the opportunity to submit written testimony for the February 23, 2021 hearing that will be held by the United States House of Representatives’ Subcommittee on Water Resources and Environment, entitled “Building Back Better: The Urgent Need for Investment in America’s Wastewater Infrastructure.” The price of water and wastewater has greatly increased in recent decades, and scores of communities across the nation that cannot afford to pay drastically higher rates have been plagued by service shutoffs and lien sales, leading to home foreclosures and evictions. These practices have been shown to disproportionately impact Black communities. Increased federal funding for water and sewer systems targeted to communities that have been historically overlooked is essential to combating the nation’s water affordability crisis, and we urge the Subcommittee to consider the demonstrated impact of rising rates on Black communities as you evaluate solutions to this crisis.

LDF was founded in 1940 by Thurgood Marshall.<sup>1</sup> Throughout our history, we have consistently worked to address inequities in the provision of water services. In the late 1960s, LDF litigated *Hawkins v. Shaw*, the first lawsuit seeking to redress racial disparities in the provision of certain municipal services, including water and sewer services, under the 14th Amendment to the U.S. Constitution.<sup>2</sup> In *Hawkins*, the Fifth Circuit Court of Appeals determined that the town of Shaw, Mississippi, violated the constitutional guarantee of equal protection by failing to provide the same level of water, sewer, and other municipal services in its Black neighborhoods as were provided in Shaw’s white neighborhoods.<sup>3</sup> In the years since the *Hawkins* case was litigated, LDF advocated for a moratorium on water shutoffs in Detroit<sup>4</sup> and to an end to the placement of water liens on homes in Flint.<sup>5</sup>

In June 2019, LDF and its Thurgood Marshall Institute (TMI) released a report entitled *Water/Color: A Study of Race and the Water Affordability Crisis in America’s Cities*.<sup>6</sup> We have attached a copy of our report to submit into the record for your consideration. Our report makes an explicit link between race and water affordability and explains the current water affordability crisis impacting Black communities across the nation.

LDF’s report begins with a historical overview of the construction of urban water systems in the U.S. and the development of water policy from the late 18th century to the present, including a discussion of Black access (or lack thereof) to water systems and services over time. Our report also explains the current water affordability crisis impacting Black communities and identifies failing infrastructure as the biggest contributor to rising costs. Cities have struggled to afford needed infrastructure repairs and have passed rising costs on to residents through frequent rate increases. These rising costs have been exacerbated by the lack of federal investment in local water and wastewater systems, which has been on a steady decline since the late 1970s.

<sup>1</sup> It has been an entirely separate organization from the NAACP since 1957.

<sup>2</sup> 303 F. Supp. 1162 (N.D. Miss. 1969).

<sup>3</sup> *Hawkins v. Shaw*, 437 F.2d 1286, 1290 (5th Cir. 1971), *aff’d*, 461 F.2d 1171, 1173 (5th Cir. 1972).

<sup>4</sup> NAACP Legal Def. & Educ. Fund, Inc., *Detroit Water Shutoff Crisis*, <https://www.naacpldf.org/case-issue/detroit-water-shutoff-crisis/>.

<sup>5</sup> NAACP Legal Defense Fund & ACLU of Michigan, *Moratorium on Placement of Liens on Homes for Unpaid Water Bills* (May 16, 2017), [https://www.naacpldf.org/files/about-us/Letter to Flint City Council RE Moratorium on Property Liens.pdf](https://www.naacpldf.org/files/about-us/Letter%20to%20Flint%20City%20Council%20RE%20Moratorium%20on%20Property%20Liens.pdf).

<sup>6</sup> Coty Montag, NAACP Legal Def. & Educ. Fund, Inc., *Water/Color: A Study of Race and the Water Affordability Crisis in America’s Cities* (2019), <https://tminstituteldf.org/publications/2383/>.

To demonstrate the disproportionate impact of rising water bills on Black communities, LDF's report includes a review of the affordability crises in Baltimore and Cleveland. Our research demonstrates how water services are allocated in both metropolitan areas, documents the spike in water costs in recent years, and analyzes each jurisdiction's use of water liens for unpaid bills. The report concludes by providing a framework for potential litigation and policy solutions to challenge water lien sales and service shutoffs that have a disproportionate impact on Black communities.

Following the publication of LDF's report, we have advocated for increased water infrastructure funding at the federal level and have supported local legislation seeking to make water more affordable for residents. We have also recently pursued litigation against municipalities to end discriminatory and unfair water practices.<sup>7</sup> Additionally, LDF has repeatedly urged federal and state officials to enact shutoff moratoriums during the COVID-19 pandemic.<sup>8</sup>

Given the demonstrated impact of rising water and wastewater bills on Black communities across the nation, it is critical that any investment solutions to the nation's water affordability crisis consider the racial impact of rising water and sewer bills. We appreciate the opportunity to submit this written testimony and welcome the opportunity for further discussions with the Subcommittee on this important issue.

Very truly yours,

LISA CYLAR BARRETT, DIRECTOR OF POLICY.  
COTY MONTAG, SENIOR COUNSEL AND TMI RESEARCHER.  
*NAACP Legal Defense and Educational Fund, Inc.*

cc: Honorable Grace F. Napolitano  
Honorable David Rouzer

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**Statement of the National Utility Contractors Association, Submitted for the Record by Hon. Grace F. Napolitano**

The National Utility Contractors Association (NUCA) represents construction contractors, manufacturers, and distributors who build and maintain a wide range of our nation's infrastructure. Member companies provide the manpower and equipment needed to build, repair, and maintain the infrastructure needed for water and wastewater, gas distribution, broadband, electric as well as the nation's surface transportation system. NUCA appreciates the opportunity to provide a statement for the record as the Subcommittee on Water Resources and Environment.

Our nation's underground water and sewer infrastructure ensures that Americans have access to clean drinking water and safe sanitary wastewater systems, provides businesses with the resources they need to keep our economy moving, and protects our nation's waterways, beaches, and a range of recreational opportunities. Taken together, well-functioning infrastructure is indispensable to the health of our country.

However, as wastewater systems continue to age and are tested by extreme weather events, communities face increasing difficulties in paying for needed infrastructure improvements. Recent events in Texas, where winter weather has left thousands without access to clean water, underscore the vulnerability of our nation's water infrastructure and the dire need for additional investment. At the same time, federal spending accounted for just four percent of all spending on wastewater utility infrastructure in recent years. Given that the Environmental Protection Agency's (EPA) most recent assessment found that \$271 billion will be needed to maintain and replace wastewater and stormwater treatment systems over the next twenty years, Congress must act this year.

While investment in water and wastewater infrastructure enhances public health and environmental protection, it also creates high-paying jobs, generates significant economic activity and expands the local tax base. Industry studies have indicated that every \$1 billion invested in water and wastewater infrastructure creates up to some 28,000 new jobs with average annual earnings of more than \$50,000 and in-

<sup>7</sup> Complaint, *Taylor v. City of Detroit*, No. 20-cv-11860 (E.D. Mich. July 9, 2020); Complaint, *Pickett v. City of Cleveland*, No. 19-cv-2911 (N.D. Ohio Dec. 18, 2019).

<sup>8</sup> See, e.g., NAACP Legal Def. & Educ. Fund, Inc., *LDF Sends Letter to National Governors Association Requesting a Moratorium on Foreclosures, Evictions, and Water and Utility Shut Offs* (Apr. 3, 2020), <https://www.naacpldf.org/press-release/ldf-sends-letter-to-national-governors-association-requesting-a-moratorium-on-foreclosures-evictions-and-water-and-utility-shut-offs/>.

creases demand for products and services in other industries by more than \$3 billion.

Due to the economic ripple effect that construction employment offers, investment in water infrastructure generates measurable employment in hundreds of standard industry classifications recognized by the U.S. Census Bureau. Moreover, a \$1 billion investment also results in tens of millions of dollars in state and local tax revenue at a time when they unarguably need it most.

To that end, NUCA strongly supports measures that would ensure a steady level of federal investment in water infrastructure, and particularly a major reauthorization of the Clean Water State Revolving Fund (CW SRF). Likewise, NUCA would strongly support a significant increase in funding for the Water Infrastructure and Innovation Act (WIFIA) program, which provides long-term, low-cost credit assistance for regionally and nationally significant water and wastewater projects. Both the WIFIA and the CW SRF programs have proven highly efficient and successful since their establishment, but continue to suffer from a lack of reliable funding.

In addition to traditional public funding, NUCA continues to support innovative solutions to the funding shortfall facing America's clean water infrastructure. Congress should consider measures that would open the door for more private sector investment through innovative financing such as lifting the cap on exempt facility bonds (private activity bonds) for water and wastewater infrastructure projects.

NUCA's water infrastructure experts are available to your committee staff to discuss these issues and others solutions which have the promise to deliver what the American people want and deserve: reliable clean water and wastewater infrastructure systems to keep their communities safe and healthy.

We appreciate your leadership in examining this critical issue at a time when our nation's wastewater infrastructure is more in need of overhaul than ever. Thank you for your consideration.

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**Letter of February 19, 2021, from the Clean Water for All Coalition,  
Submitted for the Record by Hon. Grace F. Napolitano**

FEBRUARY 19, 2021.

DEAR COMMITTEE CHAIR DEFAZIO, SUBCOMMITTEE CHAIR NAPOLITANO, REPRESENTATIVE GRAVES, AND REPRESENTATIVE ROUZER:

The undersigned members and partners of the Clean Water for All Coalition appreciate this opportunity to express our strong support for robust increases in funding to the Clean Water State Revolving Fund and other wastewater and stormwater infrastructure programs.

All people in America should have access to water infrastructure systems that provide safe, clean, and affordable water—systems that protect people's health, sustain thriving ecosystems, and support a robust and diverse workforce. Wastewater and stormwater infrastructure should meet the needs of all communities, equitably and sustainably, no matter where they are located. It must also work in tandem with nature and be resilient to the effects of climate change, now and in the future.

In many areas, our nation's infrastructure is no longer up to the task of meeting these goals. Pipes, septic tanks, and treatment facilities have exceeded their intended lifespans and are breaking down, with the most severe impacts often falling on low-income communities and communities of color. The American Society of Civil Engineers gave the nation's wastewater infrastructure a D+ grade in its 2017 infrastructure report card. Critically, climate change is already adding further stress to these systems.

In 2012, the EPA estimated that we need to invest \$271 billion in maintaining and repairing our wastewater infrastructure over the next twenty years just to meet current environmental and health standards—a figure that is now outdated and is almost certainly an underestimate. Infrastructure costs have continued to rise in recent years as communities have worked to implement important water pollution control projects. Yet according to Congressional Budget Office data, federal funding for water and wastewater utilities has decreased fourfold since 1980, leaving state and local governments to pick up the tab. These costs are becoming increasingly difficult for communities to afford. The passing on of infrastructure repair costs to consumers has created an affordability crisis for many across the country, with wastewater prices more than doubling over the last twenty years.

The global COVID-19 pandemic has magnified and exacerbated the existing challenges facing our water systems and the inequities blocking access to clean, safe water. Too many communities, especially low income and communities of color, suffer from failing water infrastructure, polluted water supplies, unaffordable water

rates, and many other water issues that make it even more difficult to survive in this time of chaos and crisis. The pandemic has also caused serious financial harm to water and wastewater utilities; the National Association of Clean Water Agencies estimates that the financial cost on wastewater utilities will be approximately \$16.8 billion, including a 20 percent drop in sewer revenues. Without federal funding to help make up the loss, utilities may end up raising rates, worsening existing affordability challenges.

Significantly increasing federal funding for water infrastructure would support public health and the environment, yielding cleaner water, fewer toxic algal blooms, and more efficient infrastructure that produces less harmful climate pollution. It would also generate much-needed economic activity and create hundreds of thousands of jobs. Research by BlueGreen Alliance has found that by investing 105 billion dollars over ten years, we could improve our drinking and clean water systems to a “B” grade and create 654,000 job-years across the U.S. economy.

As the Committee develops legislation to establish and authorize infrastructure funding programs, we urge you to make the following investments in our nation’s clean water systems:

- \$10 billion per year for the Clean Water State Revolving Fund (CWSRF).
- \$400 million per year for the Sewer Overflow and Stormwater Reuse Municipal Grants Program.
- \$200 million per year for grants to publicly owned treatment works to implement a pretreatment standard or effluent limitation for per- or polyfluoroalkyl (PFAS) developed by the EPA.
- \$50 million per year for a new Low-Income Decentralized Wastewater Grant Program.
- \$20 million per year for a new Clean Water Infrastructure Resiliency and Sustainability Program, which would help increase the resilience of publicly owned treatment works to natural disasters and climate change.
- \$10 million per year for a new Small Publicly Owned Treatment Works Water and Energy Efficiency Grant Program.
- \$5 million per year for the Water Infrastructure Workforce Development Program.
- \$50 million per year for technical support to help utilities in rural, small, tribal, and economically disadvantaged communities access available federal infrastructure funding.

It is also critical that any legislation the Committee develops must go beyond funding alone and incorporate necessary policy reforms to the CWSRF and other key infrastructure programs. The Committee should also:

- Require states to provide at least 20 percent of the annual Clean Water State Revolving Fund capitalization grant to disadvantaged communities in the form of grants rather than loans (“additional subsidization”), and raise the current cap on additional subsidization beyond the current 30 percent maximum.
- Direct states to provide at least 20 percent of the annual CWSRF capitalization grant to projects that incorporate green infrastructure and other nature-based solutions that provide social, economic, and environmental benefits to communities.
- Require and fund a study analyzing the historical distribution of federal funds to low income, rural, and minority communities, as well as communities of indigenous peoples, under Clean Water Act infrastructure programs.
- Adopt measures designed to ensure that infrastructure investments are affordable, including incentives for states and wastewater utilities to adopt low-income customer assistance programs, equitable rate structures, and strategies that reduce system-wide costs.
- Incentivize inclusive workforce development and procurement through requirements for apprenticeships; inclusion of local disadvantaged workers; and preferences for minority-owned, women-owned, and disadvantaged firms.
- Clarify that PFAS dischargers are subject to limits under the Clean Water Act and set deadlines for EPA to establish pretreatment standards, effluent limitation guidelines, and water quality criteria.

Finally, we urge the Committee to reject any legislative proposals to roll back clean water laws, such as provisions weakening pollution discharge permit requirements for wastewater treatment plants.

Thank you for considering our views. We look forward to working with the Committee to achieve our shared goal of wastewater and stormwater infrastructure that provides clean water for all.

Sincerely,

- BENJAMIN SWANSON,  
*Executive Director, Central Florida  
Advocates for Clean & Clear  
Waterways;*
- JACK WEST,  
*Policy and Advocacy Director,  
Alabama Rivers Alliance;*
- MOLLY M. FLANAGAN,  
*COO and Vice President, Programs,  
Alliance for the Great Lakes;*
- KATIE HUFFLING,  
*Executive Director, Alliance of Nurses  
for Healthy Environments;*
- TED ILLSTON,  
*Senior Director of Policy and  
Government Relations, American  
Rivers;*
- RACHEL CONN,  
*Amigos Bravos;*
- HARRIET FESTING,  
*Executive Director, Anthropocene  
Alliance;*
- MARIANA DEL VALLE PRIETO,  
*Clean Water and Ocean Advocate,  
GreenLatinos;*
- TRACY KOLIAN,  
*Health Policy Consultant, Children's  
Environmental Health Network;*
- JENNIFER PETERS,  
*National Water Programs Director,  
Clean Water Action;*
- JULIAN GONZALEZ,  
*Legislative Counsel, Earthjustice;*
- DAN SILVER,  
*Executive Director, Endangered  
Habitats League;*
- LAURA MILLER,  
*Clean Water Advocate, Environment  
America;*
- COLIN O'NEIL,  
*Legislative Director, Environmental  
Working Group;*
- LIZ KIRKWOOD,  
*Executive Director, For Love of Water  
(FLOW);*
- KRISTY MEYER,  
*Associate Director, Freshwater Future;*
- CYNTHIA SARTHOU,  
*Executive Director, Healthy Gulf;*
- EDWARD L. MICHAEL,  
*Government Affairs Chair, Illinois  
Council Trout Unlimited;*
- MADELEINE FOOTE,  
*Deputy Legislative Director, League of  
Conservation Voters;*
- KATHARINE LANGE,  
*Policy Specialist, Massachusetts River  
Alliance;*
- ALBERT ETTINGER,  
*Counsel, Mississippi River  
Collaborative;*
- GEORGE S. HAWKINS,  
*Founder and President, Moonshot  
Missions;*
- CAITLIN WALL,  
*Water Policy Manager, National  
Audubon Society;*
- ALEXIS LOPEZ-CEPERO,  
*Senior Legislative Analyst, National  
Parks Conservation Association;*
- GLENN WATKINS,  
*Policy Specialist, Water Resources,  
National Wildlife Federation;*
- REBECCA HAMMER,  
*Deputy Director of Federal Water  
Policy, Natural Resources Defense  
Council;*
- REV. SANDRA L. STRAUSS,  
*Director of Advocacy and Ecumenical  
Outreach, Pennsylvania Council of  
Churches;*
- KATHERINE BAER,  
*Director of Science and Policy, River  
Network;*
- LORETTE PICCIANO,  
*Executive Director, Rural Coalition;*
- DALAL ABOULHOSN,  
*Deputy Director of Policy, Advocacy  
and Legal, Sierra Club;*
- GEOFF GISLER,  
*Senior Attorney, Southern  
Environmental Law Center;*
- KATIE DAY,  
*Staff Scientist, Surfrider Foundation;*
- KATHY HAWES,  
*Executive Director, Tennessee Clean  
Water Network.*

**Letter of February 22, 2021, from Pete Bucher, Managing Director of Water Policy, Ohio Environmental Council, Submitted for the Record by Hon. Grace F. Napolitano**

FEBRUARY 22, 2021.

Hon. GRACE F. NAPOLITANO,  
*Chairwoman,*

*Subcommittee on Water Resources and Environment, House Transportation and Infrastructure Committee, Rayburn House Office Building, Washington, DC.*

Hon. DAVID ROUZER,  
*Ranking Member,*

*Subcommittee on Water Resources and Environment, House Transportation and Infrastructure Committee, Rayburn House Office Building, Washington, DC.*

DEAR CHAIRWOMAN NAPOLITANO AND RANKING MEMBER ROUZER:

On behalf of thousands of Ohioans members, I write to offer our appreciation and support for the Subcommittee's work today examining the Clean Water State Revolving Fund. Today's hearing should highlight the pressing need for a federal response to the nationwide water infrastructure crisis and reinforce the call to quickly take up comprehensive legislation to invest in clean water, particularly during this public health crisis. The OEC and our partners look forward to working with the Subcommittee to strengthen its recent legislative proposal, the Water Quality Protection and Job Creation Act of 2021, to meet our regional and nationwide needs while prioritizing resilience and investments in our most vulnerable communities.

Despite being a water rich state, we face many water challenges in Ohio. These challenges include both legacy and emerging water contamination threats, such as lead in our pipes, agricultural pollution, and emerging contaminants like PFAS and microplastic pollution, in addition to aging and crumbling water infrastructure.

In 2014, nearly half a million Toledoans were left without safe drinking water because the toxin produced by a harmful algal bloom got into the drinking water supply. In 2016, the community of Sebring, Ohio had lead contamination in their water for 5 months due to lead leaching from the pipes into the water supply after a change to the water treatment system. The state of Ohio does not yet know the scope of our PFAS problem, widespread testing for these harmful chemicals throughout Ohio's drinking water systems began just this year.

In the face of all of these drinking water pollutants Ohio, like the Great Lakes region, is facing a water infrastructure crisis. Ohio has a \$27 billion need for water infrastructure upgrades over the next 20 years.<sup>1</sup> Without federal investment, this cost will ultimately fall on communities and consumers, at a time when water rates are rapidly increasing across the nation.

This work is increasingly unaffordable as the federal contribution has declined precipitously over the last 4 decades, falling from 63 percent of water infrastructure spending to 9 percent today. Too often these costs are being passed on to those who can least afford it, disproportionately impacting communities that have historically borne the brunt of environmental injustice with water utility bills doubling or tripling over the last decade in many cities.<sup>2</sup>

Prioritizing funding for our water infrastructure results in a triple win: a win for workers, a win for clean drinking water, and a win for Ohio's communities. In Ohio, Governor DeWine led the charge to secure an unprecedented \$172 million investment in our water quality through H2Ohio.<sup>3</sup> Nationally, Congress has steadily invested in clean water through the Farm Bill, the Great Lakes Restoration Initiative, and the Land and Water Conservation Fund in recent years. Congress now must build upon this good record by increasing its investment in clean water and infrastructure amid growing challenges.

These challenges are only expected to get worse as a changing climate leads to more rainstorms that overwhelm sewer systems and contaminate drinking water sources, pushing our current infrastructure past its limits. Investing in our region's water infrastructure would not only protect public health but allow for important infrastructure upgrades improving the resiliency of our communities, reducing maintenance and operational costs, and creating good paying local jobs during this economic crisis. We urge Congress act quickly and lead a comprehensive federal response to the nation's water infrastructure crisis by:

<sup>1</sup> <https://www.greaterohio.org/publications/strengthening-ohios-water-infrastructure-financing-and-policy>

<sup>2</sup> <https://www.apmreports.org/story/2019/02/07/great-lakes-water-shutoffs>

<sup>3</sup> <http://h2.ohio.gov/governor-dewine-outlines-h2ohios-first-year-accomplishments/>

- Supporting reauthorization of the EPA's Clean Water State Revolving Fund at a minimum of \$10 billion annually.
  - Requiring a minimum 20 percent set-aside for additional subsidization, raising the 30 percent cap, and expanding grant options instead of loans targeted at small and disadvantaged communities to address the affordability crisis our most vulnerable and under resourced communities face.
  - Codifying the Green Project Reserve at no less than 20 percent, providing technical support and incentivizing the use of natural infrastructure that supports communities trying to end stormwater runoff and build resilience in the face of climate change.
  - Requiring states to give priority to projects in disadvantaged communities when developing annual project prioritization lists; use SRF funds for technical assistance to help these communities submit project proposals.
  - Promoting economic development in these communities through local hiring and job training opportunities for local workforce development in SRF funded projects.
- Supporting the reauthorization of the EPA's Sec. 221 Sewer Overflow and Storm Reuse Municipal Grants at a minimum of \$400 million annually.
  - Reducing the non-federal cost share for financially distressed communities to a maximum of 25 percent and creating a 20 percent set-aside to help address the needs of small communities.
- Supporting state water quality protection through the reauthorizations of the Sec. 106 State Water Pollution Control Grants and the Sec. 319 Nonpoint Source Pollution Management Programs at a minimum of \$500 million and \$200 million annually.
  - Preserving and strengthening source water protections that also help reduce runoff, support fish and wildlife, and provide recreational opportunities.
- Supporting funding to address the growing threat of emerging contaminants, providing at least \$300 million annually to implement wastewater standards and remediation of PFAS chemicals and other contaminants such as pharmaceuticals and microplastics/microfibers.
- Dedicating resources through the EPA and other relevant agencies to address the growing water affordability crisis.
  - Incorporating measures to ensure people can afford their water, such as providing more flexible financing options like grants for disadvantaged communities; supporting and creating programs like those in last year's Low Income Sewer and Water Assistance Program Act that help low-income households pay their water bills; providing incentives for utilities to adopt more equitable water and sewer rate structures; and ensuring funding is invested in communities in ways that empower and build those communities through job training and long-term employment.
- Ensuring that infrastructure legislation does not undermine or weaken environmental protections.

The Coalition looks forward to working with the Subcommittee to strengthen its recent legislative proposal, the Water Quality Protection and Job Creation Act of 2021, and supporting its quick passage. It is critical we begin to address this infrastructure crisis that has hamstrung communities and left too many low-income and minority households facing unsafe and unaffordable water. Fixing our region's failing infrastructure can put people to work, set the stage for economic revitalization in our towns and cities, and ensure safe, clean, and affordable water is available to all. Our communities stand ready to get to work, delaying action will only make the problems worse and costlier to solve.

We are pleased to offer our support for much-needed legislation. If you have any questions, please contact me.

Sincerely,

PETE BUCHER,

*Managing Director of Water Policy, Ohio Environmental Council.*

cc: The Honorable Peter DeFazio  
 The Honorable Sam Graves  
 The Honorable John Katko



**Statement of Patricia Sinicropi, Executive Director, WateReuse Association, Submitted for the the Record by Hon. Grace F. Napolitano**

Thank you for providing the opportunity to submit written testimony on Building Back Better: The Urgent Need for Investment in America's Wastewater Infrastructure. I submit this testimony today on behalf of the WateReuse Association and its members to highlight the importance of water reuse and recycling in building resiliency and strengthening America's infrastructure.

WateReuse is a not-for-profit trade association for water utilities, businesses, industrial and commercial enterprises, non-profit organizations, and research entities that advocate for water recycling. WateReuse and its state and regional sections represent nearly 250 water utilities serving over 60 million customers, and over 200 businesses and organizations across the country. The WateReuse Association's mission is to engage its members in a movement for safe and sustainable water supplies, to promote acceptance and support of recycled water, and to advocate for policies and funding that increase water reuse.

Water reuse, also known as water recycling, is the process of intentionally capturing wastewater, stormwater, saltwater or graywater and cleaning it as needed for a designated beneficial freshwater purpose, such as drinking, industrial processes, irrigation, groundwater replenishment, and watershed restoration. The fundamental principle of water reuse is using the right water for the right purpose, everywhere and all the time. By advancing water reuse, we protect and enhance the environment while helping communities build resilience to drought, flooding, and other impacts of climate change.

Across the country, water, wastewater, and stormwater managers have shown that water recycling is often a central feature in innovative, integrated approaches to solving water management challenges, including challenges brought on by climate change. In the West and South, the integration of water recycling has often been driven by water supply challenges and the need for drought-resilient supplies. Elsewhere in the country, in the Pacific Northwest, and in cities such as Chicago, Atlanta, and New York, water recycling has been used to help manage stormwater, address water quality challenges, and relieve overburdened combined sewer-stormwater management systems. Water reuse is also helping communities along our coasts manage the threat of sea level rise and saltwater intrusion through replenishing depleted coastal aquifers.

Some important examples of how communities and businesses are increasingly turning to water reuse to stabilize their water management systems and ensure stronger and more resilient supplies include:

- By 2035, the City of Los Angeles expects to recycle 100% of its water supplies and reduce its reliance on costly imported water from the Colorado River.
- Truckee Meadows Water Authority in Reno is planning 13-mile pipeline to provide 1.3 billion gallons of recycled water annually to the Tahoe-Reno Industrial Center, home to Tesla, Switch and Google, and ensure 20,000 jobs remain in Nevada.
- The Hampton Roads region of Virginia, home to the largest concentration of military and naval installations, plans to recycle 100% of its effluent through an aquifer recovery system to prevent rising sea levels from threatening inundating the entire region.

These are just some of the countless examples of how water recycling is becoming an essential ingredient in efforts to preserve American jobs, businesses and communities as the country adapts and builds resilience to fight climate change.

In order to *Build Back Better and Stronger*, WateReuse strongly urges Congress to substantially increase investments in each of the following programs in FY 2022, through both the annual appropriations process and through an infrastructure package:

- Pilot Program for Alternative Water Source Grants;
- Title XVI-WIIN Water Reclamation and Reuse Competitive Grants Program;
- Sewer Overflow and Stormwater Reuse Municipal Grants Program; and
- Clean Water State Revolving Fund Program.

Investment in water reuse builds communities that are modern, sustainable and stable—ready for families to flourish and businesses to grow. We urge Congress to act swiftly to provide communities the tools and resources they need to modernize their infrastructure, build resilience, and protect the environment and public health.

Thank you for considering our testimony. Please do not hesitate to reach out to the WateReuse Association's Policy Director, Greg Fogel, with any questions.



**Statement of the American Society of Civil Engineers, Submitted for the  
Record by Hon. Grace F. Napolitano**

INTRODUCTION

The American Society of Civil Engineers (ASCE) appreciates the opportunity to submit our position on the importance of long-term, strategic investment in our nation's water infrastructure systems. ASCE also thanks the U.S. House of Representatives Transportation and Infrastructure Subcommittee on Water Resources and Environment for holding a hearing on this critical issue. ASCE is eager to work with the Subcommittee in the 117th Congress to reauthorize the Clean Water State Revolving Fund. With millions of new users expected to be connected to centralized wastewater treatment centers in the coming years, our nation's wastewater systems will continue to be tested.

As we prepare for the year ahead, ASCE urges Congress to prioritize our nation's water infrastructure by developing legislation that not only makes critical investments, but creates jobs, protects public safety and acts as an economic recovery tool. Investment in our nation's wastewater systems should be included in any broad infrastructure package that is considered.

ASCE'S 2017 INFRASTRUCTURE REPORT CARD

Infrastructure is the foundation that connects the nation's businesses, communities, and people, serves as the backbone to the U.S. economy, and is vital to the nation's public health and welfare. Every four years, ASCE publishes the *Infrastructure Report Card*, which grades the nation's major infrastructure categories using a simple A to F school report card format. The Report Card examines the current infrastructure needs and conditions, assigning grades and making recommendations to raise them.

ASCE's *2017 Infrastructure Report Card* rated the overall condition of the nation's infrastructure a cumulative grade of "D+" across sixteen categories, with an investment gap of \$2 trillion. The Report Card gave our nation's wastewater infrastructure category a grade of "D+," while our nation's drinking water infrastructure category received a grade of "D." On March 3, 2021 ASCE will release the *2021 Report Card for America's Infrastructure*. The 2021 Report Card will grade 17 categories of the nation's infrastructure, with stormwater being added for the first time.

Nearly 240 million Americans—76% of the population—rely on the nation's 14,748 treatment plants for wastewater sanitation. There are over 800,000 miles of public sewers and 500,000 miles of private lateral sewers connecting private property to public sewer lines. Each of these conveyance systems is susceptible to failure, blockages, and overflows.

As cities continue to experience population growth and rural households switch from septic systems to public sewers, pressure on existing centralized systems will require billions of dollars in investment to meet federal regulatory requirements. Over the next two decades, it is estimated that more than 56 million new users will be connected to centralized wastewater systems, which will require the construction of 532 new systems by 2032 to meet future demand. The U.S. Environmental Protection Agency (EPA)<sup>1</sup> estimates that over the course of the next 20 years, \$271 billion will be needed for wastewater infrastructure.

Unfortunately, the COVID-19 pandemic has made a difficult situation worse. A sizable portion of our existing infrastructure systems are supported with user-generated revenue streams. With the onset of the pandemic, commercial water use is down and municipal and state budgets are buckling under unprecedented demands, meaning less support is available for parks, schools, and other publicly-owned infrastructure, precisely at the time we should be investing.

Therefore, ASCE believes that Congress should make infrastructure investment a centerpiece of its immediate response and long-term economic recovery strategy. Now is the time to renew, modernize, and invest in our infrastructure to maintain our international competitiveness.

INVESTMENT SHORTFALLS TOTAL BILLIONS OF DOLLARS

A well-maintained public drinking water and wastewater infrastructure is critical for public health, strong businesses, and clean waters and aquifers. However, funding both capital projects and operations and maintenance (O&M) is difficult because the public often does not appreciate the modern convenience of wastewater and

<sup>1</sup> Environmental Protection Agency, *Clean Water Needs Survey, 2012 Report to Congress*, December 2016.

drinking water treatment, making it difficult to convey the need for water rate increases. Furthermore, capital spending has not kept pace with needs. If these trends continue, the funding gap will only widen, resulting in leaking pipes, source water pollution, and increases in the cost of O&M.

Despite increased efficiency methods and sustainable practices, there is a growing gap between the capital needed to maintain drinking water and wastewater infrastructure and the actual investments made. To estimate this gap and quantify the failure to invest in our water infrastructure, last year ASCE, in conjunction with the Value of Water, released *The Economic Benefits of Investing in Water Infrastructure: How Failure to Act would Affect the U.S. Economic Recovery*.

This economic study analyzed the impact of current water infrastructure investment trends on America's GDP, jobs, personal income, and businesses and found that the U.S. had an investment gap of \$81 billion in 2019 alone, with \$129 billion in capital needs but only \$48 billion in investments. Furthermore, despite the growing need for water infrastructure, the federal government's share of capital investment has fallen from 31 percent in 1997 to a mere four percent in 2017. This underinvestment, will cause our infrastructure to further degrade, resulting in a loss of 636,000 jobs annually and \$2.9 trillion in GDP by 2039.

If as a nation we invested an additional \$964 billion over the next 10 years or approximately \$96 billion annually across all levels of government and the private sector to our water infrastructure needs, the benefits would be immense and include:

- \$732 billion in business sales would be protected. The economic gains from more reliable and efficient water systems would build over time; most would accrue in the second decade as households and businesses reap the benefits of improved water reliability.
- The investment would protect 333,000 jobs and household disposable income would rise by more than \$2,000 per household.
- Of these new jobs protected, 26 percent would be in manufacturing and professional services stimulated by the boost in infrastructure spending.

#### SOLUTIONS

Fortunately, Congress has provided some federal funding options that could help close the funding gap needed for drinking water and wastewater infrastructure if appropriated. Certainly, federal funding is not the only answer; since the mid-1970s, money from local and state governments has represented an increasing percentage—nearly 95%—of public drinking water and wastewater investment. However, cities and towns across the country report that complying with federal wastewater and stormwater regulations represent some of their costliest capital infrastructure projects.

As some water systems have become privatized, private capital has become another financing mechanism. Regardless of whether a water system is publicly or privately owned or managed, households and businesses still ultimately foot the bill. Therefore, care must be taken to ensure that rates are set at levels sufficient to maintain and upgrade infrastructure while not increased so much that low-income residents would face financial hardship. ASCE was pleased to see the creation of the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program under the fiscal year 2021 appropriations package. Providing \$638 million to the Department of Health and Human Services for grants to states in order to assist low-income households pay for their drinking water and wastewater utilities will prove vital to families that struggle to pay their water bill. We look forward to working with Congress to ensure that this program continues to receive sufficient funding going forward.

Next, the federal government funds many infrastructure categories, and of all of these, water services receive less than 5%. However, the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF)—both authorized by Congress several decades ago—play a vital role in providing much-needed support for investments in state and local drinking and wastewater infrastructure.

In the past 30 years, the federal government has loaned \$42 billion to all 50 states, the District of Columbia, and Puerto Rico through the CWSRF, which has given states the ability to fund over \$126 billion in wastewater infrastructure system improvements—all through low-interest financing. Every dollar provided by the federal government is matched at 20 percent by the state.

Likewise, the DWSRF program provides low-interest loans to state and local infrastructure projects. The EPA provides an allotment of funding for each state, and like the CWSRF, each state provides a 20 percent match. Since the program's incep-

tion, \$35.4 billion of low-interest loans have been allocated. ASCE was pleased that the DWSRF was reauthorized at increasing funding levels in the America's Water Infrastructure Act of 2018 (P.L. 115-270, Sec. 2023) and urges Congress to reauthorize the CWSRF at increasing funding levels, as well.

ASCE believes that our nation's elected leaders need to act quickly to address the growing gap in wastewater infrastructure investment. We urge Congress to:

1. Renew the federal commitment to water infrastructure by reinvigorating the CWSRF program through permanent reauthorization and tripling the amount of annual authorization and appropriations.
2. Fully fund the WIFIA program at no less than the FY21 enacted level of \$65 million.
3. Eliminate the state cap on private activity bonds for water infrastructure projects to bring an estimated \$6 billion to \$7 billion annually in new private financing to bear on the problem.
4. Create legislation to allow Public Private Partnerships (P3) as one of many methods of financing water infrastructure improvements. ASCE supports the use of P3 project delivery methods to enhance federal, state and local resources when the public interest is protected.
5. Create legislation to establish a dedicated source of revenue for drinking water and wastewater infrastructure projects that would provide a stable, long-term basis for financing for these critical systems.
6. Preserve tax exempt municipal bond financing, which provides communities with low-cost access to capital for drinking water and wastewater infrastructure upgrades.
7. Support green infrastructure solutions, which provide co-benefits such as water and quality improvement, aesthetic value to communities, and cost competitiveness.

Finally, ASCE believes our nation must prioritize the investment needs of our wastewater and drinking water infrastructure to ensure public health, a strong economy, and clean and safe water sources. Strategic, robust, and sustained investments in these water infrastructure systems from a variety of mechanisms must be made quickly if we hope to close the growing funding gap. ASCE thanks the Subcommittee for holding this hearing and bringing attention to this critical matter. We look forward to working with you to find solutions to our nation's wastewater infrastructure investment needs.

Mrs. NAPOLITANO. OK. We will proceed to the witnesses, and I will start with Mr. Berger. Hold on just a second. OK.

We thank you. We will proceed to hear from our witnesses testifying today. Thank you for being here, and welcome. We have Mr. David J. Berger, mayor of the city of Lima, Ohio; Bill Sterud, chairman of the Puyallup Tribe of Indians in Tacoma, Washington; Oluwole McFoy, general manager of the Buffalo Sewer Authority in Buffalo, New York; Tom Teske, vice president and general manager of EJ Americas in East Jordan, Michigan; Brenda Coley, co-executive director of Milwaukee Water Commons; and David Mallino, legislative and political director of Laborers' International Union of North America. Welcome, all of you.

And without objection, your prepared statements will be entered into the record, and all witnesses are asked to limit their remarks to 5 minutes. And I ask everybody to please mute their mics until you have a chance to ask questions.

I will address Mr. Berger because you have been an excellent witness for the subcommittee before, and I remember that.

I am told you are retiring in November, having served as mayor of Lima, Ohio, for 32 years. That is quite a record. Thank you for your many years of service to your community, and congratulations on your well-deserved retirement.

You may proceed with your testimony, sir. Mr. Berger, you are on.

**TESTIMONY OF HON. DAVID J. BERGER, MAYOR OF THE CITY OF LIMA, OHIO, ON BEHALF OF THE UNITED STATES CONFERENCE OF MAYORS; BILL STERUD, CHAIRMAN, PUYALLUP TRIBE OF INDIANS; OLUWOLE McFOY, GENERAL MANAGER, BUFFALO SEWER AUTHORITY, ON BEHALF OF THE NATIONAL ASSOCIATION OF CLEAN WATER AGENCIES; TOM TESKE, VICE PRESIDENT AND GENERAL MANAGER, EJ AMERICAS; BRENDA COLEY, CO-EXECUTIVE DIRECTOR, MILWAUKEE WATER COMMONS; AND DAVID MALLINO, LEGISLATIVE DIRECTOR, LABORERS' INTERNATIONAL UNION OF NORTH AMERICA**

Mr. BERGER. Thank you and good morning, Chair Napolitano, Ranking Member Rouzer, and other members of the committee. I serve as not only the mayor of Lima for the last 32 years, I am also the chair of the Mayors Water Council of the U.S. Conference of Mayors. I thank you for the invitation to give the Conference of Mayors' perspective regarding the urgent need for investment as well as a new approach to address America's wastewater infrastructure needs.

As mayor, I spent over 15 years in negotiations with Ohio EPA and U.S. EPA over long-term control plans to solve a set of combined and sanitary sewer overflow problems. I also participated in a decade of discussions with EPA headquarters and regional offices on integrated planning, green infrastructure, and affordability. So a significant portion of my professional life has been spent on this, which makes me a reluctant expert.

And my message is this: We are on an unsustainable path when it comes to providing water and wastewater services in an affordable manner. Local governments are stuck on an unsustainable financial treadmill. Decisions made by the Federal Government to reduce financial assistance without restricting costly mandates have placed a severe financial burden on us.

The combination of consequences from Federal water policy mandates that force aggressive and oftentimes unachievable goals, coupled with the high cost of building and operating the necessary infrastructure to provide core services that comply with Federal mandates, is now beyond the means of half the Nation's population.

The net effect: Mandates, and the lack of Federal infrastructure investments, put cities in increasingly higher long-term debt, with accompanying rate hikes that have the effect of raising basic service levels that are unaffordable to a growing percentage of Americans.

I want to thank this subcommittee for drafting the Water Quality Protection and Job Creation Act, a bill without any additional mandates included. We are already struggling with the burden placed on us, and we ask that you recognize that we cannot do more without a substantial influx of new money from the Federal Government and a change in the way that we handle mandates.

Local governments are doing their part. The 2018 census estimates that cities spent \$130 billion for municipal water and sewer utilities. And from 1993 to 2018, we cumulatively spent \$2¼ trillion: \$1.23 trillion on water supply and \$997 billion on sewer and wastewater. That means that 98 percent of annual spending on water and sewer utilities is by local governments.

During that same timeframe, with the exception of 2018, the amount of money appropriated to the Clean Water and Drinking Water SRFs never exceeded \$3 billion annually in the form of grants to States who in turn give us loans that we have to pay back with interest. Our investment has been additionally challenged by other economic factors.

Take, for example, the impacts of the great recession on water and sewer utilities. When recessions hit and revenues decline, utilities must pare budgets and shift resources to continue service for public health protection and regulatory compliance. The result was to ultimately stifle up to \$105 billion in infrastructure investment over more than a decade, and thereby stress our systems even more.

Further, it has been decades that we have seen anything but level funding from Congress. Higher authorization levels without increases in appropriations is frustrating at best. We need the Federal Government to step up.

The Conference of Mayors developed the Mayors 2020 Vision document, where we call for additional Federal funding in the area of water and wastewater infrastructure, as well as additional flexibility in order to maintain affordability for our citizens and our cities. Our recommendations include: promoting integrated planning, implementing the 2021 affordability guidelines, investing in smart technologies, and developing efficiencies in the water/energy nexus.

By thinking more broadly and creatively, we can better tackle our infrastructure needs and provide cost savings solutions. We also recommend taking a critical look at what our infrastructure and compliance priorities should be. If a mandate costs millions of dollars but has modest environmental benefits, would that money not be better spent on other more pressing infrastructure, environmental, and public health priorities?

Related to this, I would like to thank this committee for passing integrated planning legislation, which my own community has utilized. Integrated planning can provide the flexibility to begin to realign requirements with local priorities and local financial capabilities. It is a huge step in the right direction.

We need more tools like this to maintain and rebuild our infrastructure while addressing resiliency and cybersecurity. On behalf of the Conference of Mayors, we stand ready to work with you to help develop these necessary solutions.

Thank you for inviting me to participate.

[Mr. Berger's prepared statement follows:]

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**Prepared Statement of Hon. David J. Berger, Mayor of the City of Lima,  
Ohio, on behalf of the United States Conference of Mayors**

INTRODUCTION

Good morning Chairman Napolitano, Ranking Member Rouzer, and members of the Committee. My name is Dave Berger, I have served as the Mayor of Lima, Ohio for 32 years and currently serve as the Chair of the Conference of Mayors Water Council and Vice-Chair for the Conference's Environment Committee.

I thank you for this invitation to give the Conference of Mayors' and my perspective regarding the urgent need for investment in America's Wastewater Infrastructure with a particular focus on the federal role in local infrastructure investment.

I am speaking before you today to provide you with some real-world experience of what is going on in the field of wastewater infrastructure to illustrate the current problems that face many communities throughout the United States.

In the 32 years as mayor of my city, I spent over a decade and a half in negotiations with Ohio EPA and USEPA over Long-Term Control Plans to solve a combined and sanitary sewer overflow problem. And as a member of the Conference's Water Council, I also participated in over 10 years of discussions with EPA Headquarters and Regional offices on the issues of Integrated Planning, green infrastructure and affordability. So, a significant portion of my professional life has been spent on this and related matters which makes me a reluctant expert in this field.

And my message to you is this—we are on an unsustainable path when it comes to providing water and wastewater services in an affordable manner.

- Local governments are stuck on an unsustainable financial treadmill when it comes to providing water and wastewater services; decisions made by Congress and the Administration to eliminate or reduce financial assistance without restricting costly mandates have placed a severe financial burden on our nation's cities and the public.
- The combination of consequences from federal water policy mandates that force aggressive, and in many cases unachievable, goals, coupled with the high cost of building, maintaining and operating the necessary infrastructure to provide core city services that comply with federal mandates is now beyond the means of half the nation's population. This is an artifact of federal policy that forces the lower half of the income strata to afford the same rates as the upper half of household incomes.
- The net effect of mandates and lack of federal infrastructure investment (both capital and operations) puts cities in increasingly higher long-term debt with accompanying rate hikes that has the effect of raising basic service rates to levels that are unaffordable to a growing percent of the 80% of Americans served by these systems.

I do want to thank this subcommittee for introducing the Water Quality Protection and Job Creation Act of 2021 that will begin to address one of these issues—additional federal investment. The nation's cities need Congress to provide more resources so local governments can continue to provide these utility services to our citizens and afford the ever growing compliance costs of regulations. And we are grateful that you have introduced a straightforward reauthorization bill without any additional mandates or requirements included. We are already struggling with the burden placed on us and we ask that you recognize that we cannot do more without a substantial influx of new money.

Please note that our needs at the local level could better be served by Congressional support to place emphasis on infrastructure renewal and technological upgrades, cybersecurity needs, as well as resiliency needs in a changing environment. We ask ourselves at the local level—"are we looking at and putting resources to real and priority problems?" I refer you to the section below entitled, *Solutions—Mayors 2020 Vision Document*, to see the list of priorities the Conference of Mayors is asking Congress to consider.

The Conference of Mayors supports this legislation because it focuses on the level and categories of federal financial assistance primarily to States, and some local governments who are beneficiaries of intergovernmental transfers when they obtain loans from the State Revolving Fund (SRF) program. Some local governments rely on SRF loans to finance capital projects, but many cities do not access the SRF, relying instead on exempt facility revenue bonds, pay-go, and other financial instruments.

We support this legislation because it continues to authorize federal money targeting financial assistance to low-income neighborhoods, options for loan repayment by cities with SRF loans, (e.g., no interest loans, capital forgiveness, etc.), and it remains a program aimed at helping utility infrastructure investment including green infrastructure projects. All of these are related to important local needs: the poor in our communities and how financial resources from Congress can help us address their needs; the SRF stays (and should stay) the program to provide federal financial assistance to the nation's cities and counties and their water and sewer utilities infrastructure investment. We applaud the Committee's support to local government. Our hope is that Congress actually appropriates the needed resources over the next decade to prepare the nation for the anticipated emergence of natural disasters on a grand scale, triggered by climate change.

LOCAL UTILITY INFRASTRUCTURE INVESTMENT IS STUTTERING WHEN IT NEEDS TO GROW

Local governments are charging and taxing customers with the highest rates ever seen—year after year double digit rate increases to maintain service and comply with regulations. But, local governments are doing their financial part. A recent analysis of the 2018 Census estimates local governments spending \$130 billion for municipal water and sewer utilities—a historically high annual investment. From 1993 to 2018, local governments cumulatively spent on water and sewer utilities exceeded \$2.251 Trillion: \$1.225 Trillion on Water Supply Utilities; \$997 Billion on Sewer and Wastewater Utilities. In the United States, 98% of annual spending on water and sewer utilities is by local government.

I just want to emphasize that again—local governments have spent \$2.251 Trillion since 1993. In the past, the federal government funded about 75% of the infrastructure that brought most cities into compliance with secondary treatment standards. This federal cost share made the federal government a partner in upgrading treatment plants and improving water quality. And, because the federal government was spending its own money as well as city money, the federal government paid close attention to ensuring that improvements were cost effective.

Unfortunately, that same commitment is no longer there. During that same 1993–2018 timeframe, with the exception of the year when money was allocated under ARRA, the amount of money appropriated to the Clean Water and Drinking Water State Revolving Funds never exceeded \$3 billion annually or less than 3% of what local governments spent annually. And again, this money is given as grants to states, that in turn, give the money to us in the form of loans that we have to pay back.

This investment has not been enough and has been additionally challenged by other factors. One of the reasons why local governments are challenged with making needed infrastructure investment in water and wastewater utilities is disruption from national economic recessions. A familiar pattern is easily described.

Take, for example, The United States Conference of Mayors research report on the impacts of the Great Recession (December 2007–June 2009) on municipal water and sewer utilities. An analysis of Census data that compared local spending on 10 different water utility construction categories indicates that when recessions hit, utilities tend to pare budgets, shift resources to continue service for public health protection and regulatory compliance. The result was to ultimately stifle up to \$105 billion in utility infrastructure investment over more than a decade.

The recessionary period ended in 2009 and the recovery years reached pre-Recession levels of investment in 2019. In 2019 local governments spent \$41 billion on utility capital construction, but this was the same level of construction investment in 2007 at the height of an economic expansion that turned down rapidly. The purchase power of \$41 billion invested in utility infrastructure in 2019, due to inflation, may really be closer to the purchase power in 2005–2006 between \$30 billion to \$35 billion.

Construction spending was growing at 11% annually before the Great Recession. Post Great Recession growth in construction spending was between 1% and 1.5%

The Great Recession recovery period for utility construction spending lasted from 10 to 15 years. If it didn't happen, utility infrastructure capital investments would have been \$105 billion higher from 2010 to 2019. What was lost? Sewer line-pump—\$34 billion; Wastewater plant—\$25 billion; Water line—\$25 billion; Water plant—\$21 billion.

Do these factors need to be taken into account by Congress when considering policy in this arena? We urge the Committee to consider these factors when authorizing resources.

SOLUTIONS—MAYORS 2020 VISION DOCUMENT

We need to rethink the issue of infrastructure investment as we move forward—one that balances investment, costs, and determining priorities.

Last year, the Mayors created a bipartisan call for action, called *The Mayors' 2020 Vision: An American Breakthrough* which highlighted 10 priority issue areas that the Mayors of this nation are calling on the President and Congress to address that, we believe, will make our country stronger, more economically competitive, and improve the lives of all Americans, including our most vulnerable citizens.

Included in our 2020 Vision document was an infrastructure section entitled, *Build Modern, Resilient Infrastructure to Address Climate Change, Promote Environmental Justice, and Enhance Opportunity and Productivity: Transportation, Water, Green Energy, and Technology Systems.*

In this document, mayors call on the President and Congress to:

- Raise existing federal funding commitments substantially, particularly in the form of grant funding, to support the modernization and expansion of our Nation's drinking water, wastewater treatment, stormwater, and flood protection systems. This includes addressing public health threats from lead contamination in older, legacy water systems as well as helping mitigate the impact of unfunded federal mandates on communities where user fee increases to comply with these mandates are making water rates unaffordable for more and more local residents. The federal government should assist localities in meeting Clean Water Act obligations including (but not limited to) TMDLs for stormwater as it did in the past by funding upgrades of treatment plants to secondary treatment.
- Implement the Integrated Planning Permit law to ensure cities and their customers are not overly financially burdened and to allow cities maximum flexibility to address specific challenges in a smart, prioritized manner.
- Change the current clean water act law to allow cities to have 10-year, rather than five-year, treatment works permit terms.
- Continue to advocate for better "Affordability" assessments involving compliance with unfunded federal mandates, including the elimination of costly penalties.
- Direct new resources funding to support local government efforts to study, evaluate, and undertake capital investments to combat cybersecurity threats and improve water system resiliency from natural disasters.
- Assist in providing funding or federal credits for premise plumbing upgrades on private property to prevent and reduce contamination from pipes.
- Fund the Corps of Engineers' authority to allow for water and wastewater infrastructure investment which would allow for additional grant funding for the Nation's water and wastewater infrastructure.
- Increase funding for newly established programs including the water workforce development grant, CSO and stormwater infrastructure needs, increasing system resiliency, and accelerating innovative technologies in the water sector.

As you can see from this list, we call for additional federal funding which your legislation authorizes. Besides additional funding, our 2020 Vision document also addresses the need for making the solutions more affordable which included promoting integrated planning, developing better affordability guidelines, allowing for 10-year permits, additional investment in smart technologies (including smart pipes), and improvements in the water-energy nexus. By thinking more broadly, we can better tackle our infrastructure needs and provide cost-saving solutions.

We also recommend taking a critical look at what our infrastructure and compliance priorities should be. We need to be more mindful that if something costs hundreds of millions of dollars to have a modest environmental benefit, would that money be better spent on other, more pressing infrastructure, environmental, and public health priorities.

Related to this last point, I would like to thank this committee for your work in passing Integrated Planning legislation which my own community has utilized. Integrated planning can, if implemented properly, provide the flexibility to begin to realign standards and requirements with local priorities and local financial capability. It is a huge step in the right direction, and I encourage you to work with us to develop additional solutions and approaches as we rethink our approach to infrastructure investment that is more sustainable. We need a combination of additional investment, financing tools, determining and prioritizing critical needs, and minimizing or eliminating unfunded federal mandates as part of a comprehensive solution.

On behalf of the Conference of Mayors, we stand ready to work with you to help develop these necessary solutions. Thank you again for this opportunity to speak with you today.

Mrs. NAPOLITANO. Thank you very much, sir.

And now we will hear from Mr. Bill Sterud. You may proceed, Mr. Sterud.

Mr. STERUD. Good morning. My name is Bill Sterud. I am the chairman of the Puyallup Tribe of Indians in Tacoma, Washington. I would like to thank Chairman DeFazio, Chairwoman Napolitano, and our congresswoman, Congresswoman Strickland, for the opportunity to present testimony on this important topic of the need for greater investments in America's wastewater infrastructure.

The Puyallup Tribe is a federally recognized Tribe located in Pierce County, Washington, along the shores of Commencement Bay, a large inlet of Puget Sound. The reservation consists of approximately 28 square miles in Pierce County, Washington, and includes the city of Fife and portions of the city of Tacoma. Today, the Tribe has more than 5,461 members. In addition to serving our members, we serve more than 29,000 Native Americans from our 200 federally recognized Tribes in Alaskan Villages.

The pandemic has brought into focus the massive health disparities that exist between Indian Country and the rest of America. In many cases, this health disparity exists because there is a lack of water and sanitation infrastructure in Indian Country. The Indian Health Service estimates almost 30 percent of the homes of Indian Country lack proper sanitation infrastructure. Thus, the simple act of washing your hands for 20 seconds is something that too many people in Indian Country cannot do.

The lack of waste sanitation infrastructure results in higher incidences of cancer, obesity, diabetes, and other chronic diseases. Beyond the direct health impacts that Indian Country experiences because of poor sanitation, there is the impact to our natural environment.

Numerous reports have documented the impact that outdated and failing septic and sewage treatment facilities are having on the health of the Puget Sound. Failing septic and sewage treatment facilities are a direct threat to all life in the Puget Sound.

Wastewater treatment plants account for about 70 percent of Puget Sound's over-nutrients. The increased nutrients in the Puget Sound deplete the oxygen levels in the water, causing a condition called hypoxia, creating dead zones in the water. Essentially, when a creature enters a hypoxic water area, it dies from the lack of oxygen before it can get out.

Today, the Indian Health Service estimates that there is a \$2.57 billion backlog in sanitation infrastructure in Tribal communities. We know it is far greater as the Indian Health Service only considers Indian homes, and does not consider the sanitation needs of our government facilities, schools, businesses, or non-Indian homes in our communities. The EPA's Clean Water Indian set-aside is an important partner in addressing this need. The current \$30 million that is provided, while appreciated, is insufficient. We need a substantial investment now to address this critical backlog.

Thus, we support the proposed Water Quality Protection and Job Creation Act and the proposed \$2.5 billion wastewater infrastructure assistance for Indian communities. With this increase in funding, some important changes could be made to the program.

We think that a portion of this increased funding should be dedicated to improving environmental water quality, with an impasse on protecting treaty resources. In this regard, we think the program should encourage Tribes and other governments to work together to address this issue. We want to work with municipal systems to address combined sewer overflows. The Puyallup Tribe receives notices about CSOs almost every day. This means that every day, raw sewage flows into Puget Sound.

We think the program can be adapted to encourage more partnerships between governments to work cooperatively to address

these environmental threats. We also think the program must be modified to allow Tribes to use this funding to address the sanitation needs of the entire reservation community. It does not matter if the waste is from a home or a Tribal school; it presents the same health and environmental threat. Thus, Tribes need the resources to address these sanitation deficiencies associated with our community facilities and our businesses.

We appreciate the opportunity to testify and highlight the needs of Indian Country on this critical topic. Thank you.

[Mr. Sterud's prepared statement follows:]

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#### **Prepared Statement of Bill Sterud, Chairman, Puyallup Tribe of Indians**

Good morning my name is Bill Sterud. I am the Chairman of the Puyallup Tribe of Indians. I would like to thank Chairman DeFazio, Chairwoman Napolitano and our Congresswoman, Congresswoman Strickland for the opportunity to present testimony on this important topic of the need for greater investment in America's wastewater infrastructure and the need to better support infrastructure in Indian country.

I want to begin by telling you about my Tribe. The Puyallup Tribe is a federally recognized Tribe located in Pierce County, Washington along the shores of Commencement Bay, a large inlet of Puget Sound. The history of relations between the United States and our Tribe is spotted, but in recent decades we have made great strides forward achieving recognition of our Treaty rights, restoring our Tribal land base, and developing programs to better serve our members.

The Reservation consists of approximately 28 square miles in Pierce County, WA and includes the city of Fife and portions of the city of Tacoma. Today, the Tribe has more than 5,461 members. Further, in addition to serving our members, we serve more than 29,000 Native Americans from over 200 federally recognized tribes and Alaskan villages, who, due to the federal Indian relocation program of the 1940s and 1950s, now call the area on and around the Puyallup Reservation home. The services we provide to our members and those Indian people living in our territory include housing, natural resources protection, law enforcement services, elder services, health care services, transportation, and educational services.

Foundational to the Tribe are our natural resources, the fish, wildlife and fauna, water, land and air in our territory. We depend on these resources for our economic, cultural, and spiritual health and well-being. Thus, the protection and preservation of these resources is a priority for the Puyallup Tribe. However, there is no greater resource for the Puyallup Tribe than our people and protecting and preserving the health and well-being of our members is our top priority. The Clean Water Act Revolving fund and the Indian set-aside that is a part of it, is an important tool for all tribes to protect the health of their members and protect the health of their natural environment.

The pandemic has brought into critical focus the massive health disparities that exist between Indian country and the rest of America. In many cases this health disparity exists because there is a lack of water and sanitation infrastructure in Indian country. In its most recent FY 2021 Budget Justification, the IHS estimated that 1.6% of all American Indian/Alaska Native (AI/AN) homes lacked water supply or wastewater disposal facilities; and that approximately 27% of AI/AN homes needed some form of sanitation facilities improvements—essentially 30% of the homes in Indian county lack proper sanitation infrastructure. Thus, the simple act of washing your hands for twenty seconds is something that too many people in Indian country cannot do.

Beyond the pandemic, one critical metric that demonstrates the impact of inferior sanitation on health is the rate of *Helicobacter pylori* (*H. pylori*) infection. *H. pylori* is a bacteria found in fecal matter that enters a community's water supply because of a lack of proper sanitation waste disposal systems. One report estimates the prevalence of *H. pylori* in tribal communities to be 64–81%. See, Disparities in Cancer Incidence and Trends among American Indians and Alaska Natives in the United States, <https://cebp.aacrjournals.org/content/28/10/1604> "Disparities". This is a prevalence rate that is seen in third world countries.

The significance of this is that approximately 89% of stomach cancers are estimated to be attributable to chronic *H. pylori* infection. See, *Helicobacter pylori* and Stomach Cancer Among Native Americans in Northern Arizona, <https://in.nau.edu/>

nacp/helicobacter-pylori-and-stomach-cancer-among-native-americans-in-northern-arizona. Thus, it is not surprising that the rate of stomach cancer among Indian people is almost double that of the non-Indian community. *Disparities*. Most of these deaths could have been prevented if people had not been exposed to poor sanitation. Other health indicators like obesity and diabetes can also be directly tied to a lack of access to clean water to drink.

Beyond the direct health impacts that Indian country experiences because of poor sanitation, there is the impact to our natural environment because of poor sanitation facilities. Numerous reports have documented the impact that outdated and failing septic and sewage treatment facilities are having on the health of the Puget Sound. When septic and sewage treatment facilities fail, bacteria enters our waterways threatening our valuable shellfish industry. But failing septic and sewage treatment facilities are not just a direct threat to the shellfish, they are an existential threat to all life in the Puget Sound.

It is well documented that excessive levels of nutrients, like nitrogen, negatively impact the Puget Sound. According to a 2019 report from the Salish Sea model, wastewater treatment plants account for about 70% of the Puget Sound's over nutrients during warmer months. See, <https://www.invw.org/2020/12/07/outdated-sewage-treatment-is-suffocating-fish-in-puget-sound/> Specifically, the increased nutrients in the Puget Sound deplete the oxygen levels in the water, causing a condition called hypoxia, creating dead zones in the water. Essentially, when a living creature enters a hypoxic water area it dies from the lack of oxygen before it can get out. These dead zones can be as big as six miles in diameter.

The Supreme Court affirmed that states have an obligation to address aging infrastructure's impact on Treaty protected fisheries and wildlife habitat. *U.S. v. Washington*, 853 F.3rd 946 (9th Cir. 2017), affirmed per curiam, 584 U.S. (2018). While this case involved road culverts, the threat to treaty protected fisheries resources is equally as great from failing sewer and sanitation facilities. This obligation is not only shared by the states, it's shared by the federal trustee as well. Thus, the federal government has a trust responsibility to address the impact of failing sanitation facilities on our treaty protected trust resources.

In 1976, as part of the groundbreaking Indian Health Care Improvement Act, Congress required the Indian Health Service to report the sanitation deficiencies in Indian country. 25 U.S.C. 1632(g). This list has documented for more than 40 years a growing sanitation backlog in Indian country. Today, the Indian Health Service estimates that there is a \$2.57 billion backlog in sanitation infrastructure in tribal communities. We know it is far greater as the Indian Health Service only considers Indian homes and does not consider the sanitation needs of our governmental facilities, schools, businesses, or non-Indian homes in our communities. Unfortunately, notwithstanding this level of need, the Indian Health Service only requested \$190 million in FY 2021 for both drinking water and sanitation facilities in Indian country. This will address only about 7% of the total need.

While the EPA's Clean Water Indian set-aside (CWISA) is an important partner with IHS in addressing this backlog, the \$30 million now provided is woefully insufficient. We need a substantial investment now to address this critical backlog. Thus, we support the proposed Water Quality Protection and Job Creation Act and the proposed \$2.5 billion in wastewater infrastructure assistance for Indian communities.

With this increase in funding some important changes could be made to the program. We think that a portion of this increased funding should be dedicated to improving environmental water quality with an emphasis on protecting treaty resources. In this regard, we think the program should encourage tribes and other governments to work together to address this issue. At Puyallup, we want to work with municipal systems to address combined sewer overflows (CSOs). The Puyallup Tribe receives notices that a CSO occurs almost every day. This means that every day raw sewage flows into the Puget Sound. We think the program can be adapted to encourage partnerships between governments to work collaboratively to address these environmental threats.

We also think the program must be modified to allow tribes to use this funding to address the sanitation needs of the entire Reservation community. It does not matter if the waste is from a home or a tribal school, it presents the same health and environmental threat. Thus, tribes need the resources to address these sanitation deficiencies associated with our community facilities and our businesses.

We appreciate the opportunity to testify and highlight the needs of Indian country on this critical topic.

Mrs. NAPOLITANO. Thank you very much for your testimony.

We will proceed with Mr. McFoy. You may proceed.

Mr. McFOY. I would like to begin by thanking the House Committee on Transportation and Infrastructure chair, Peter DeFazio, and the Subcommittee on Water Resources and Environment chair, Grace Napolitano, as well as the respective ranking members Congressman Sam Graves and Congressman David Rouzer, along with the other members of the subcommittee who are present, for this opportunity to talk with you today about the importance of Federal investment in water infrastructure.

My name is Oluwole McFoy, and I am the general manager of the Buffalo Sewer Authority. I am an active member of the New York Water and Environment Association and board member of U.S. Water Alliance, and I serve on the board of directors for the National Association of Clean Water Agencies, or NACWA, and I am testifying on behalf of that association today.

NACWA represents hundreds of public wastewater and stormwater agencies nationwide that are on the front lines of public health and environmental protection. While I am here today to share my experiences from Buffalo, many of the challenges facing my city are shared by other utilities and communities nationwide.

Buffalo is a northeastern city that has seen its share of ups and downs. It is a city with a proud record of innovation, fortitude, and perseverance, while also having a pretty good football team as of late. Historically, cities like Buffalo had a partner in the Federal Government when it came to building critical infrastructure like water and sewer systems.

From the WPA funding that allowed the ribbon-cutting of our primary treatment plant to the construction grants program that ushered in our secondary plant expansion, this partnership was vital to helping Buffalo and other communities around the United States provide working-class families the opportunity to have good jobs, good wages, and stable neighborhoods.

However, over the last decades, the nature of that partnership has changed as the Federal Government's investment grew smaller and smaller, now estimated below 5 percent, and localities like Buffalo had to take on greater shares of the infrastructure cost.

That shift to a greater local cost share had unintended consequences because it came at a time when local governments were losing their ability to raise revenue sufficient to cover the high costs of these types of capital projects. As a result, our infrastructure deteriorated, with the work being done on it relegated to mostly maintenance, repairs, and necessary replacements.

This has proven to be an unsustainable approach. Currently, the costs of capital infrastructure are being borne by a segment of rate-payers who, as in Buffalo, a city with a 30-percent poverty rate, simply cannot afford to pay it. The key to ending this cycle and restoring a sense of equity to our water utility system is having a re-engaged Federal partner that is willing to help fund the infrastructure work that will allow cities to modernize their systems.

The recent commitment by Congress of \$638 million towards low-income water assistance is a critical stopgap policy that will help meet the immediate needs of residents for whom water is becoming increasingly inaccessible. However, only long-term and sustained infrastructure investment by and in partnership with the Federal

Government will ever achieve the necessary water affordability that we all need to see become a reality.

This can be accomplished through significant increased funding to existing programs like the Clean Water SRF, WIFIA loan program, the Water Workforce grant program, and the Sewer Overflow/Stormwater grant program. This can also be accomplished by establishing a permanent Federal low-income water assistance program as well as through a strong jobs and infrastructure-based stimulus package. NACWA is pleased to strongly support all of these approaches through our new “Affordable Water, Resilient Cities” campaign.

Water is not only a requisite for life, but also an important contributor to our public health, economic development, and the revitalization of our neighborhoods. We cannot consistently deliver innovative green infrastructure and smart water projects to protect the environment without our Federal partner.

We are not asking for just an infusion of funding, but instead for a recommitment to the idea that people who live in cities like Buffalo have a future where they can raise a family, find a good job, and live a healthier life.

Finally, it is important that local policymakers have the ability to use the Federal funds in the manner that will result in the greatest good in their respective cities. In Buffalo, we are committed to balancing the imperative calls for racial equity, environmental justice, climate change, and economic development in every policy and program we undertake.

I hope that the subcommittee will consider these factors as it continues its work to develop legislation that will help improve water infrastructure system funding in Buffalo and other cities and communities across the Nation.

I would like to thank the members of the subcommittee for their time and the opportunity to present my thoughts on the critical need for increased Federal investment in water infrastructure. I will be happy to answer any questions that you may have.

[Mr. McFoy’s prepared statement follows:]

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**Prepared Statement of Oluwole McFoy, General Manager, Buffalo Sewer Authority, on behalf of the National Association of Clean Water Agencies**

I would like to begin by thanking the House Committee on Transportation and Infrastructure chair Peter DeFazio and the Subcommittee on Water and the Environment chair Grace Napolitano, as well as the respective ranking members; Congressman Sam Graves and Congressman David Rouzer, along with the other members of the subcommittee who are present, for this opportunity to talk with you today about the importance of federal investment in water infrastructure across the United States and how that investment will play a critical role in making clean, healthy water more accessible to the residents of our cities and communities.

My name is Oluwole McFoy and I am the General Manager of the Buffalo Sewer Authority and Chair of the City of Buffalo Water Authority. I also serve on the Board of Directors for the National Association of Clean Water Agencies, or NACWA, and am testifying on behalf of the Association today. NACWA represents hundreds of public wastewater and stormwater agencies nationwide that are on the front lines of public health and environmental protection. NACWA has advocated for greater federal investment in clean water infrastructure for over 50 years, and while I am here today to share my experiences from Buffalo, many of the challenges facing my city are shared by other utilities and communities nationwide.

Buffalo is a northeastern city that has seen its share of both ups and downs. It is a city with a proud record of innovation, individual fortitude, and perseverance; while also having a pretty good football team as of late. These characteristics make Buffalo feel special to me, but I am confident that if you asked any resident, of almost any city in the country, they would have almost the same exact feeling about their hometowns. That mutual feeling of shared experience also extends to the challenges water system managers are facing across the nation.

Historically, cities like Buffalo had a partner in the federal government when it came to building critical infrastructure like water and sewer systems. That partnership was vital to helping Buffalo, and other communities around the United States, develop their economies, provide working class families the opportunity to have a good home in a stable neighborhood, and sustain a healthy pace of development.

However, over the last several decades, the nature of that partnership has changed as the federal government's investment grew smaller—now estimated below 5 percent of total water and wastewater infrastructure<sup>1</sup>—and localities had to take on a greater share of infrastructure costs, in addition to operations and maintenance. That shift to a greater local cost share had an unintended, but especially pernicious, consequence because it came at a time when local governments were losing their ability to raise revenues sufficient to cover the high-cost of these types of capital projects.

Beginning in the early nineteen sixties, Buffalo's tax-base, like that of other medium and small-sized cities, changed rapidly. Suburban development, which relied on the utilities infrastructure that had already been built to support their region's actual urban cores, drew a greater number of middle-class homeowners away. This began to deprive Buffalo of the solid economic base it had relied on to fund services, maintain property values, and attract employers with.

The residents who remained were often lower-income Black people who had faced various types of housing and employment discrimination, or others who were still committed to enjoying the benefits of city-living but did not have incomes sufficiently large enough to cover the gaps created by suburban migration. These migration patterns, along with a significant drop over time in federal infrastructure support, in many ways helped lay the foundation for the current environmental justice challenges facing our urban areas today around delivery of water and sewer services.

As a result, our drinking water and wastewater infrastructure deteriorated, with the work being done on it relegated to mostly maintenance, repairs, and necessary replacements. This has proven to be an unsustainable approach. The costs of this work are being borne by a segment of rate payers who cannot afford to pay it while at the same time the funding required for even this bare minimum approach is still growing, creating a situation where rate payers are being forced to pay more for less relative service.

The key to ending this cycle and restoring a sense of equity to our water utility system is having a re-engaged federal partner that is willing to help fund the infrastructure work that will allow cities to modernize their systems, employ innovative technologies that reduce maintenance costs, build systems that will be more resilient against the effects of global climate change, and then pass those savings on to ratepayers in a restorative way.

The recent commitment by Congress of six-hundred and thirty-eight million dollars towards Low Income Drinking Water and Wastewater Assistance is a critical stop-gap policy that can help meet the immediate needs of residents for whom water is becoming increasingly inaccessible. However, only long-term and sustained infrastructure investment by and partnership with the federal government will ever achieve the kind of water affordability that we all want to see become a reality. This can be accomplished through significant increased funding to existing programs like the Clean Water SRF, the WIFIA loan program, the Water Workforce grant program and the Sewer Overflow/Stormwater grant program. This can also be accomplished by establishing a permanent federal Low Income Water Assistance Program as well as through a strong jobs and infrastructure-based stimulus package with a significant water component. NACWA is pleased to strongly support all of these approaches through our new *Affordable Water, Resilient Cities* campaign, and you can learn more about our efforts online at [www.affordableh2o.org](http://www.affordableh2o.org).

Water is not only a requisite for life, but also an important contributor to our economic development, green infrastructure planning, protecting our public health, and the revitalization of our neighborhoods. That is why any federal investment will be leveraged to increase the return on investment. We are not asking for just an infusion of funding but instead for a recommitment to the idea that people who live in

<sup>1</sup>Congressional Budget Office, <https://www.cbo.gov/publication/54539>

cities like Buffalo have a future where they can raise a family, find a good job, and live a healthier life.

Finally, it is important that local policymakers have the flexibility necessary to use any federal funds in the manner that will result in the greatest good for the greatest number of people in their jurisdiction. In Buffalo, we are committed to balancing the imperative calls for racial equity, environmental justice, climate change, and economic development in every policy and program we develop and undertake. That same commitment applies to improvements we are making to our water infrastructure.

Any solutions developed in accordance with these principles must be dynamic if they are going to be successfully implemented. And while every community working on these problems likely shares these goals, they will also have to be able to adapt to their own set of changing circumstances. Every city across this country has different water infrastructure needs; in Buffalo we are not looking to just replace our existing waterlines but to modernize our water quality monitoring systems, use predictive technologies to improve maintenance, keep our water clean and reduce costs to our customers in a way that is restorative, environmentally sensitive, and development friendly.

Accomplishing this will require creativity, flexibility, and a commitment to the principles I have already outlined above. I hope that the subcommittee will consider these factors as it continues its work to develop legislation that will help improve water infrastructure system funding in Buffalo and other cities and communities across the nation.

I would like to thank the members of the subcommittee for their time and the opportunity to present my thoughts on the present need for increased federal investment in water infrastructure. I would be happy to answer any questions you may have.

Mrs. NAPOLITANO. Thank you, Mr. McFoy. That is very kind of you.

And we will proceed with Mr. Teske. Mr. Teske, you may go.

Mr. TESKE. Good morning. My name is Tom Teske, and I am vice president and general manager of EJ Americas, formerly known as East Jordan Ironworks. EJ is a global leader in the design, manufacture, and distribution of products critical to our Nation's water and wastewater infrastructure such as fire hydrants, valves, valve boxes, access covers and frames, curb inlets and frames, and drainage grates. These products are all made from recycled scrap metals that are melted, poured, finished, machined, coated, and assembled in the United States.

EJ is a family-owned company that has a long history of investing in American workers and communities. The EJ legacy dates back five generations to 1883, when our first manufacturing facility was built in East Jordan, Michigan. While we are now a global enterprise, we remain dedicated to the U.S. marketplace. U.S. employees remain the heart and soul of our company.

Today I would like to make three points. Robust, long-term investments in our Nation's water infrastructure are absolutely necessary, and when coupled with a strong "Buy American" policy, can help drive our economic recovery. Increased funding is crucial. Congress must also ensure that such public investments have the maximum possible impact on the American economy, creating and preserving U.S. manufacturing jobs.

These investments are maximized when they are tied to "Buy American" preferences for U.S.-produced products such as the American Iron and Steel preference policy applicable to the Clean Water State Revolving Fund projects. When these laws apply, there is increased demand for EJ's products and a corresponding increase in demand of our suppliers and service providers.

As for our hourly team workers, this means more take-home pay to support their families and spend in their communities.

The absence of “Buy American” laws applied to Federal-aid infrastructure spending diminishes the effectiveness of U.S. regulatory policy. We must compete against foreign, state-owned, or subsidized foundries that regularly flout international trade laws, have no regard for worker safety, the environment, or public health, and are not required to operate by comparable regulatory standards.

This creates a significant competitive disadvantage for American producers that has led to lost sales, closed plants, lost tax revenues, and lost jobs. The American foundries that have survived utilize state-of-the-art, energy-efficient processes and pollution control systems. As a result, our plants are among the safest and most environmentally sound in the world.

American companies deserve a commonsense preference for meeting, not avoiding, these standards, and for keeping jobs here in the U.S. “Buy America” incentivizes companies like EJ to make long-term investments in communities and workers across the United States.

In the last two decades, EJ has made a number of acquisitions and significant capital investments to reinvest in our business and modernize our manufacturing capabilities. Among our three largest capital investments in the U.S. are two brandnew foundries.

In 2001, we commenced operations in the Ardmore, Oklahoma, foundry. The \$70 million greenfield investment was constructed on a former U.S. military site and features state-of-the-art environmental control technologies.

In 2019, we made another significant capital investment when we constructed a new fabrication facility in Schroepfel, New York. The \$11 million facility was constructed using steel produced by Nucor in New York State, and was built a short distance from the site of a fabrication facility we acquired in 2012, allowing for the retention of all its skilled workforce.

After 135 years at its original location, in 2018, EJ started operations at a new flagship foundry in East Jordan, Michigan. A \$140 million capital investment, the new foundry features four electric melt furnaces, two molding lines, and advanced automation and technology, and significantly reduced our carbon footprint.

The existence of “Buy America” applied to Federal-aid infrastructure spending was an important factor in our decisions to proceed with these capital investments. I am here to tell you that “Buy America” policies work, and EJ investments in its U.S. manufacturing capacity are demonstrable proof.

Thank you very much again for having me, giving me the opportunity to testify today.

[Mr. Teske’s prepared statement follows:]

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**Prepared Statement of Tom Teske, Vice President and General Manager,  
EJ Americas**

Chairman DeFazio, Ranking Member Graves, Chairwoman Napolitano, Ranking Member Rouzer and members of the subcommittee:

Thank you for the opportunity to testify about an issue vital to our nation’s health, economy and security. As we work to rebuild from the COVID-19 pandemic, we must make long-overdue investments to modernize and repair our nation’s clean

water infrastructure. If done right, such investments can provide a much needed stimulus for the American economy, truly building back better to the benefit of U.S. workers, U.S. manufacturers and their supply chains, and communities across the country.

My name is Tom Teske and I am Vice President and General Manager at EJ Americas. EJ is the global leader in the design, manufacture, and distribution of access solutions for the world's growing infrastructure. Municipal castings produced by EJ Americas include products critical to our nation's water and wastewater infrastructure, such as hydrants, valves, manhole covers, ring and frames, curb inlets and frames, and drainage gates. These products are all made from recycled scrap metals that are melted, poured, finished, machined, coated, and assembled exclusively in the United States.

EJ is a family owned company that has a long history of investing in American workers and communities. The EJ legacy dates back five generations to 1883 when our first manufacturing facility was built in East Jordan, Michigan. Decades later, we are now a global enterprise that spans six continents—promoting innovation, quality, and a commitment to customer service. While our operations span the globe, we remain dedicated to the U.S. market, and our U.S. employees remain the heart and soul of our company. Notably, over the past two decades, EJ has built three new manufacturing facilities in the United States, including two modern iron foundries. These investments are major commitments to our workers and communities that will endure for generations to come. We are particularly proud of our new state-of-the-art Syracuse Fabrication facility in Congressman Katko's district.

I would also like to highlight our employees' dedication during the ongoing public health emergency. As an essential business, our facilities have continued to produce and distribute products that are critical to the infrastructure of our country, working closely with public works departments nationwide to keep our water and sewer systems running during this difficult time. We look forward to turning the corner in the months ahead.

Today, as we discuss the importance of making long overdue investments in our nation's water infrastructure, I will make three main points:

1. Robust and long-term investments in our nation's water infrastructure are absolutely necessary and, when coupled with a strong Buy America policy, can help drive our economic recovery.
2. In addition to supporting our economy, Buy America helps ensure that the products used in our nation's infrastructure are produced in the safest and most environmentally-sound facilities in the world; in short, it reaffirms our nation's commitment to public health, safety and environmental safeguards.
3. A strong Buy America preference applied to our nation's infrastructure policy incentivizes companies like EJ to undertake major and long-term capital investments in communities across the United States; major R&D investments that drive the development state-of-the-art manufacturing technology, processes and facilities; and major human capital investments for generations to come.

#### STRONG BUY AMERICA POLICIES MAXIMIZE THE ECONOMIC EFFECTS OF INFRASTRUCTURE INVESTMENTS

At the outset, I'd like to commend the Committee for proposing a robust and long-term reauthorization of the Clean Water State Revolving Fund (CWSRF) in its discussion draft of the Water Quality Protection and Job Creation Act of 2021. In addition to addressing the tremendous backlog of water infrastructure needs nationwide, enactment of a multi-year bill will have a targeted economic stimulus impact, informing manufacturers' forecasted demand, triggering investments in manufacturing capacity, and spurring production and increased labor hours. Building water infrastructure requires manufacturing capacity, and manufacturers need market and funding certainty to support new investments. These investments, in turn, create and preserve the good, high-wage, family-supporting jobs necessary to manufacture these products.

While increased funding is crucial, Congress should also seek to ensure that these investments have the maximum possible impact on the American economy, and that the hard-earned tax dollars paid by American workers support the creation and preservation of American jobs. Specifically, the economic impact of these investments in our nation's clean water infrastructure is maximized when they are tied to procurement preferences for U.S.-produced waterworks products. Such Buy America policies include the "American Iron and Steel" preference policy applicable to projects financed with capitalization grants awarded through the CWSRF. These

policies afford a commonsense preference in taxpayer-financed procurements for iron and steel products produced in the United States by U.S. workers.

But these Buy America policies are not universal. In fact, they are limited to specific programs, like the CWSRF and to a limited scope of waterworks infrastructure products, which in the case of the American Iron and Steel policy, is a finite list of primarily iron or steel products and construction materials, a mere fraction of the products and materials incorporated into the nation's clean water infrastructure. Where these laws are not expressly applied, foreign suppliers have unfettered access to U.S. taxpayer spending and are able to leverage their state subsidies, low labor costs, and unfair trading practices to seize ever-greater shares of the U.S. market.

Unfortunately, such is the case for a number of programs proposed to be reauthorized at significantly increased spending levels in the Committee's discussion draft of the Water Quality Protection and Job Creation Act. Under current law and the discussion draft, a project receiving a federal grant from EPA to decouple a municipality's combined stormwater and waste water system has no obligation to procure U.S. produced waterworks products or even to consider them. Likewise, a municipality receiving a grant for an alternative water source project or a project to make their system more resilient need not comply with any Buy America policies. EJ and other U.S. manufacturers are disappointed that the Committee did not include in the discussion draft the critical Buy America policy measures included in the version of the bill reported by the Committee in the last Congress.

U.S. manufacturers and workers are accustomed to hearing broad support for Buy America policies from policymakers. In fact, the policy has figured prominently in each of the last two presidential campaigns. In his pledge to "Build Back Better," President Biden made "Buy America" a core component of his economic recovery and revitalization plan, stating that "when we spend taxpayer money, we should buy American products and support American jobs." President Biden recently issued Executive Order 14005, *Ensuring the Future is Made In All of America by All of America's Workforce* (Jan. 25, 2021), affirming his administration's policy to "use terms and conditions of Federal financial assistance awards ... to maximize the use of goods, products, and materials produced in, and services offered in, the United States," contemplating the manner in which Buy America requirements are applied to federal assistance infrastructure spending such as the programs proposed for reauthorization in the Committee's discussion draft.

Likewise, the prior administration issued three executive orders communicating support for and encouraging the application of Buy America preferences in taxpayer spending on infrastructure, including federal assistance infrastructure awards.

Yet for all of the public support from our policymakers, U.S. manufacturers and workers are routinely forced to advocate for the inclusion of ad hoc Buy America policies each and every time Congress authorizes a new infrastructure program or reauthorizes one of the litany of existing programs to which no domestic procurement preference applies. Given their overwhelming support with policymakers and U.S. voters, Buy America policies should be applied to federal assistance infrastructure spending without exception, not as the exception. Unfortunately, that is not the case. We look forward to working with the Committee to ensure that the billions of U.S. tax dollars authorized for these programs is expended prudently.

#### GOVERNMENT PROCUREMENT POLICY SHOULD REFLECT REGULATORY POLICIES

In the context of clean water infrastructure investments, the absence of Buy America laws applied to federal-aid infrastructure spending diminishes the effectiveness of U.S. regulatory policy, particularly our environmental safeguards.

As discussed, Buy America laws create demand for domestically produced goods, helping to sustain and grow domestic manufacturing and the millions of jobs it supports. Significantly, domestic preference programs also protect the environment. American foundries like EJ make their products with state-of-the-art, energy-efficient processes and pollution control systems. They invest significantly, at great cost, to meet U.S. regulatory requirements. In meeting, and in many cases exceeding, arguably the world's most exacting and effective environmental, health and safety regulatory standards, our plants are among the safest and most environmentally sound in the world.

By contrast, every day, U.S. producers must compete against foreign foundries that do not comply with environmental protection laws comparable to those with which U.S. manufacturers must comply. In fact, the foreign-origin producers with whom U.S. foundries most often compete are also the most polluting. Past analyses have found that a typical foundry in China emits more than 20 times the particulate (9.4 lbs per ton versus 0.4 lbs per ton) and nearly 35 times the carbon monoxide (149.4 lbs per ton versus 4.4 lbs per ton) than are emitted by a typical U.S. foundry.

Further, China is the largest source of both sulfur dioxide (SO<sub>2</sub>) and carbon dioxide (CO<sub>2</sub>) in the world. According to the Union of Concerned Scientists, China accounts for more than a quarter of the world's CO<sub>2</sub> emissions.<sup>1</sup> China's iron and steel industry now accounts for as much CO<sub>2</sub> emissions as the rest of the global iron and steel industry combined. Each ton of iron castings produced in a Chinese foundry generates two to three times more GHGs than a U.S. iron foundry, and probably four to five times more if the additional GHG impacts of producing iron from iron ore are considered. China's pollution is so severe that it can affect communities thousands of miles away. As one example, on smoggy days as much as 25% of the particulate matter in the air over Los Angeles can be traced back to China.

Notably, the iron foundry industry is one of the largest recyclers in North America. Approximately 85 percent of all materials used in iron foundries is recycled. Annually, U.S. foundries melt millions of tons of post-consumer scrap metal to make new, high-quality and long-lasting finished castings. Moreover, ferrous scrap can be recovered repeatedly—so in addition to containing as much as 98 percent recycled content, the products themselves are 100 percent recyclable at the end of their extensive useful lives.

In addition to the sustainability benefits of utilizing recycled ferrous scrap, the U.S. foundry industry's modern and efficient production processes result in dramatically lower greenhouse gas emissions per ton when compared to many of our foreign competitors. For instance, many ferrous foundries in other producing countries still use pig iron as their primary raw material, resulting in up to 200% higher greenhouse gas emissions per ton than castings produced using recycled scrap metal.

Further, even when they do utilize recycled scrap, foundries in countries such as China and India often use labor-intensive production methods that result in higher scrap rates compared to U.S. plants. Scrap rates measure the amount of cast product that is unsuitable for market and destined for recycling as ferrous scrap feedstock to foundry melting operations. Higher scrap rates translate to wasted energy and increased emissions as production facilities must re-melt unused scrap. With scrap rates as much as two-times higher, these foreign foundries may emit 5% more greenhouse gases per ton than domestic foundries.

We must compete every day against foreign, state-owned or subsidized foundries that regularly flout international trade laws, have no regard for worker safety (or even age), the environment, or public health, and are not required to operate by comparable regulatory standards. This creates a significant cost and competitive disadvantage for American producers, that has led to lost sales, closed plants, lost tax revenues, and lost jobs.

U.S. environmental protection laws do not have extraterritorial application. It does not further the intent of these laws to encourage the off-shoring of manufacturing to the world's most polluting nations. Strong domestic preference policies, on the other hand, can help reduce the pollution associated with the manufacture of products necessary for U.S. infrastructure projects and can ensure taxpayer dollars are reinvested in America's companies and workers. American companies have invested significantly to modernize their U.S. operations to meet federal environmental and worker safety regulations. They deserve a commonsense preference for meeting—not avoiding—these standards and for keeping jobs here in the United States.

#### BA LAWS SHOULD REQUIRE A STRONG ORIGIN STANDARD

Buy America laws encourage capital investment, research and development, and job retention and creation in the United States. These benefits are maximized when strong standards are set for determining a product's origin. When Buy American laws apply to upstream inputs they ensure that the economic benefits of government spending are reaped by an entire supply chain, not merely at the final stage of manufacturing.

In recent years, opponents of Buy America policies have sought, where these laws apply, to weaken their origin standards, urging a standard based on the final state of processing. Such standards eviscerate the benefits of Buy America laws for upstream domestic material inputs and the manufacturers and workers that produce them. They also would rob the communities in which these businesses operate of the indirect economic impact of the taxpayer finance spending on public works.

To synthesize the value of Buy America laws with robust origin standards consider: When these laws apply EJ must source all of its inputs from U.S. manufacturers, be it EJ itself, another iron foundry or a steel mill. When there is increased demand for EJ's products, there is a corresponding increase in demand of our sup-

<sup>1</sup> <https://www.ucsusa.org/resources/each-country-s-share-co2-emissions>.

pliers and service providers. As our productivity increases, so too does our capacity utilization, meaning, among other things, that we consume more labor hours.

And for EJ's hourly team members, that means more take home pay to support their families and spend in their communities.

Weakened or simply no Buy American origin requirements miss the multiplier effect of taxpayer-financed spending, resulting in lost opportunity and forsaken economic return.

#### THE EJ STORY: A COMMITMENT TO THE UNITED STATES

In the last two decades, EJ has made a number of acquisitions and, importantly, significant capital investments, to reinvest in our business and modernize our manufacturing capabilities. Among our three largest capital investments in the United States during that time, two were brand new foundries.

In 2001, EJ commenced operations at its Ardmore, Oklahoma foundry. The \$70,000,000 greenfield investment was constructed on a former military site and features state-of-the-art environmental control technology. Its 190,000 square feet of manufacturing space is dedicated to the production of EJ's municipal castings.

After acquiring the assets of Syracuse Castings in 2012, EJ made another significant capital investment when it constructed a wholly new fabrication facility in Schroepel, New York, which opened 2019. The new fabrication facility, an \$11 million capital investment, was constructed utilizing steel produced by Nucor in New York State which it also uses as the feedstock for its fabricated products, such as access hatches. The new facility was constructed a short distance from the original Syracuse Castings operation, allowing for the retention of all of its skilled workforce.

After 135 years at its original location, in 2018 EJ commenced operations at its new flagship foundry in Northern Michigan. The new state-of-the-art foundry spans more than 7.5 acres under one roof and sits on a 200 acres site. A capital investment in excess of \$140 million dollars, the new foundry features four electric melt furnaces, two molding lines, and advanced automation and technology. Constructed a mere 14 miles from EJ's original East Jordan, Michigan location, the proximity of the new foundry allowed EJ to retain all of its employees and its commitment to manufacturing in Northern Michigan.

As members of the Committee contemplate the reauthorization of the clean water programs, it is important you understand that the existence of "Buy America" applied to federal-aid infrastructure spending was an important factor in EJ's decisions to proceed with these capital investments in the United States. I'm here to tell you that Buy America policies work and EJ's investments in its U.S. manufacturing capacity is demonstrable proof.

On behalf of EJ and our employees, thank you for giving me the opportunity to testify today and thank you for your continued commitment to the U.S. manufacturing sector.

Mrs. NAPOLITANO. Thank you very much, Mr. Teske, for your testimony.

We will proceed on to Ms. Coley. You may proceed.

Ms. COLEY. Thank you, Madam Chair Napolitano and the ranking members and Chairman DeFazio for inviting me to testify to this committee. My name is Brenda Coley, and I am the co-executive director of Milwaukee Water Commons, a cross-city network that fosters connection, collaboration, and broad community leadership on behalf of our common waters. We promote stewardship of equitable access to and shared decisionmaking regarding water.

In our view, people will value water infrastructure when they do not have to think about it. But for many Milwaukeeans, water infrastructure comes to their attention when it poses risks to their health and environment. There is an urgent need for infrastructure investments across the Nation and for Federal leadership to equitably fund the repair of water infrastructure. Our delay in addressing the need to replace aging water infrastructure contributes to ongoing economic, environmental, and public health crises.

Milwaukee's Kinnickinnic River watershed is an example where historic approaches on managing water have fostered community

vulnerability. In Milwaukee's South Side, a predominately Latinx community, historical decisions to move stormwater out of dense, low-lying neighborhoods have resulted in land cover that is mostly impervious, including large sections of the river that flow through underground tunnels or concrete channels.

Infiltration between wastewater and stormwater systems in the KK River watershed leaks human sewage directly into the river and ultimately into the Great Lakes. The removal of concrete, river naturalization, and installation of green infrastructure could benefit public health by reducing the urban heat island effect, preventing neighborhood flooding and flash floods, restoring natural ecosystems, and filtering water where it falls to reduce the load of bacteria and other contaminants in the river. Despite this urgent need and local expertise to develop these solutions, the cost of concrete removal is so great that it is unrealistic to expect locally funded action to remediate this blatant environment injustice.

Racial and economic inequities are embedded in the history of how we funded water infrastructure in this country. Let me trace a portion of that history for you.

Drinking water, wastewater, and stormwater systems were built in major cities like Milwaukee during the early to mid-1900s. Over the latter half of the 20th century, there was a massive buildout of water infrastructure into the suburbs. This was paid for by, number one, substantial Federal funding via grants and urban water ratepayers.

At the same time that the expansion of water infrastructure supported the flight of White residents to the suburbs, redlining and other racist housing policies limited where Black families could live. Living-wage jobs spread to the suburbs as well.

Today the water infrastructure for Metropolitan Milwaukee is built on a backbone of Milwaukee's water systems. Milwaukee's water purification system provides drinkable water for the suburbs, and its water treatment plants process their wastewater.

But the pipes and other infrastructure connecting these systems is newer in the suburbs and older in the city. In the city, our water systems are 50 to 100 years old. Following these demographics and economic shifts, the system for financing water infrastructure changed, too.

The share of infrastructure needs covered by Federal funding has gone way down, from 63 percent in 1977 to 9 percent in 2014. Most of the Federal funds provided today are as loans, and the money to repay these loans comes from water ratepayers. Because water utilities are reluctant to raise rates to unaffordable levels, infrastructure needs go unmet.

It is not enough to write a check funding water infrastructure challenges, but should also hold recipients to be intentional about workforce equity and community benefits. In 2018, Milwaukee Water Commons facilitated one of seven water equity task force groups piloted by the U.S. Water Alliance across the country. In Milwaukee, the task force is a cross-section of the partnership between water utilities, environmental nonprofits, and educational and workforce development organizations.

Based on that process, we recommend that legislation to fund water infrastructure investments should require recipients to track

and report on the diversity of the workforce and of contractors and subcontractors, report on policies and practices aimed at workforce equity, and report how funded programs address environmental justice.

We also recommend Federal investments in water infrastructure should include procurement preferences and projects with an additional commitment to establishing community benefits.

In closing, your legislation appropriation funding for water should achieve three things: shift away from loans towards Federal grants, restore the amount of Federal funding for water infrastructure to levels provided in the mid-20th century, and prioritize grant funding for utilities serving racially and economically segregated urban communities to redress racial and economic inequalities embedded in the history.

Lastly, my hope, from a community perspective, is that public water systems be understood as a public good and service that assures safe, clean, affordable water for all; protects our natural waters; and protects us against the threats from climate change, and that they must be paid for accordingly as a shared public good. Thank you very much.

[Ms. Coley's prepared statement follows:]

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**Prepared Statement of Brenda Coley, Co-Executive Director, Milwaukee Water Commons**

Milwaukee Water Commons is a cross-city network that fosters connection, collaboration and broad community leadership on behalf of our common waters. We promote stewardship of, equitable access to and shared decision-making for our common waters. We advocate on environmental justice, climate justice, economic justice and social justice locally in Milwaukee, in Wisconsin and the Great Lakes region, and nationally. Milwaukee Water Commons works under four organizing frameworks: collective impact, the commons, environmental justice, and community engagement. We believe environmental work—and, more broadly, work to support healthy communities—has the greatest impact when it adopts an intersectional approach. By that we mean that we must inclusively consider the connections between social and environmental systems, recognizing that vulnerability is often experienced as multiple compounding challenges that cannot be separated. To arrive at justice these challenges must be addressed simultaneously.

WATER INFRASTRUCTURE IS AN ENVIRONMENTAL JUSTICE ISSUE

“Milwaukee” is a settler variation of the Anishinaabemowin word *minowaki*, which means “good land.” The city of Milwaukee sits at the confluence of the Milwaukee, Menomonee, and Kinnickinnic rivers and along the shores of Lake Michigan. Water is foundational to the city, and the lives of the many people who have lived here have been rooted in water. Indeed, Milwaukee is globally recognized as a water-centric city.

Milwaukee also has the unwanted reputation of being America's most segregated city, and one of the worst places to live as an African American. In Milwaukee we suffer from compounding systemic disparities in incarceration, educational attainment, income and employment, public health, access to transportation, and access to a healthy environment. Segregation is a prominent part of Milwaukee's history and, through systemic marginalization, segregation actively produces barriers that prevent vulnerable communities from fully accessing and enjoying the opportunities Milwaukee has to offer, including in relation to its waters and its water sector.

The US Water Alliance defines vulnerable communities as communities that face, “historical and/or contemporary barriers to economic and social opportunities and a healthy environment, with some key factors being income, race or ethnicity, age, language ability, and geographic location. Vulnerable communities may include low-income persons, certain communities of color, immigrants, seniors, children, persons

with disabilities, persons living in public housing, and currently or formerly incarcerated persons.

Often it is Milwaukee’s vulnerable communities that bear the brunt of environmental risks through no fault of their own. Rather, these risks are rooted in compounding systemic disparities that have marginalized these communities from the benefits of a healthy environment. Environmental Justice is an outcome, where a healthy environment and wellness are respected as a human right for all people and future generations regardless of identity. Ethical issues of justice arise when people, communities, or regions are subject to greater environmental degradation, excluded from a healthy environment, or disconnected from the process of shaping their environment. Environmental justice links environmental sustainability with social justice, to ensure that no population, community, or individual is subjected to bear a disproportionate burden of environmental risks. Milwaukee Water Commons describes environmental justice as having two parts: (1) creating access to the benefits of the environment and (2) overcoming the risks associated with an unhealthy environment.

People value water infrastructure when they don’t have to think about water infrastructure. But for many Milwaukeeans, water infrastructure comes to their attention when it poses risks to their health and environment. For example, despite historical efforts to manage stormwater, many Milwaukeeans associate major storm events with basement backups and combined sewage overflows that dump wastewater into Lake Michigan. Due to Milwaukee’s extreme segregation, and a legacy of negative water experiences connected to drinking water, storm water, waste water, and public water spaces it is not uncommon for residents in this “water-centric city” to have a negative relationship or no relationship with Milwaukee’s three rivers or Lake Michigan.

Milwaukee Water Commons offers the following written testimony to the House Transportation and Infrastructure Subcommittee on Water Resources and Environment to bring an environmental justice lens to the water infrastructure funding decisions being considered for in relation to the Water Quality Protection and Job Creation Act of 2021. These comments are deeply rooted in our experience in Milwaukee over the past nine years working closely with community-based organizations representing vulnerable communities as well as with institutions and organizations focused on workforce development, other environmental and equity advocates, local water utilities, and state and local policymakers and community leaders.

In the sections that follow, we describe the urgent need for federal funding for water infrastructure; trace the history of how water infrastructure has been funded over past decades, and the racial and economic inequities embedded in this history and consequent inequitable burdens placed on vulnerable urban communities in dire need of extensive repair and upgrades to aging wastewater and stormwater management systems to protect their health and their environment. We call for a substantial shift away from funding through loans that would ultimately need to be repaid by residential water ratepayers in these communities towards a return to the levels of federal grant support for water infrastructure provided during the mid-20th century. Federal grant funds should be prioritized for vulnerable communities to redress historic inequities in how the burden of financing water infrastructure has been distributed. We also point to inequities in the water sector workforce, and suggest concrete ways in which federal leadership can spur local actions to ensure that the living-wage jobs generated by federal investments in water infrastructure are equitably distributed.

#### EQUITABLE INVESTMENT IN WATER INFRASTRUCTURE IS URGENTLY NEEDED

Across the nation there is an urgent need for federal leadership to equitably fund the repair and enhancement of water infrastructure. Our delay in addressing the need to replace aging water infrastructure with more adaptive and resilient water management contributes to ongoing economic and public health crises around our nation. In Wisconsin, the climate crisis has been hard hitting: major storms have washed out bridges cutting off transportation around the Chequamegon Bay, caused floods and basement backups on Milwaukee’s northwest side, and all around the state have led to major sewage overflows into the Great Lakes (the source of drinking water for millions of Americans). According to the Governor’s Task Force on Climate Change, between the year 2000 and 2020 there were 19 severe storms along with two flood-related and six drought-related disasters resulting in around \$100 billion in impacts. Water infrastructure repair and enhancement is getting more expensive by the day, and the cost for communities is immeasurable.

Utilities and institutions in Wisconsin are struggling to adaptively manage water infrastructure in the face of the climate crisis and new emerging contaminants such

as PFAS. These challenges require consistent modeling and monitoring of existing infrastructure, transitions to more sustainable green infrastructure, and investments in innovative technologies and training to prepare workers to manage emerging threats to public and environmental health.

Milwaukee's deteriorating grey stormwater and wastewater infrastructure have a direct impact on water quality and community health. For example, it has been verified that infiltration between leaks in these systems results in human sewage entering our river systems at a majority of stormwater outfalls in the Kinnickinnic and Menomonee River Watersheds. These infiltrations along with sewage overflows caused during major rain events, can make days on the river or beach unappealing, and make swimming in Milwaukee's water ways an unheard of extreme. Though Milwaukeeans used to frequently swim in Milwaukee's rivers before the 1930's, due to legacy contamination, swimming in the Milwaukee river was unheard of until Milwaukee Water Commons piloted the Cream City Classic in 2018, an open water swim event that advocates for safe water spaces for all of Milwaukee's residents. Despite generations of investments put into river restoration, with remarkable impact, safely swimming in the Milwaukee River requires at least two full weeks of no precipitation, constant water quality monitoring, and a swimming location near the mouth of the river that is diluted by water from Lake Michigan.

On Milwaukee's south side, a predominately Latinx community, historical decisions to move stormwater out of dense, low-lying neighborhoods have resulted in land cover that is mostly impervious, including large sections of the Kinnickinnic River that flow through underground tunnels or concrete channels. During low flow, the river has almost no current, no habitat for natural ecosystems, and extremely high levels of fecal coliform. During large storms, the river moves faster than white-water rapids, resulting in multiple drownings and near drownings over the years. Green infrastructure could have profound benefits on neighborhood health, stormwater retention and flooding. Because of the required concrete removal, however, the re-naturalization of Milwaukee's channelized Kinnickinnic River has a high price tag.

Investments in green infrastructure can yield community benefits that are multi-dimensional. For example, stormwater trees are a unique infrastructure that can be utilized in smaller green spaces to manage precipitation where it falls over a large area. When strategically planted and maintained, trees can also contribute to other economic and public health priorities. Trees impact respiratory and cardiovascular health, can eliminate urban heat islands, create access to fresh food, create habitat for wildlife, reduce energy costs, and their maintenance can create long term employment opportunities. In addition, tree planting and other green infrastructure implementation can support local environmental priorities while also fostering neighborhood placemaking. These needs and benefits are analyzed and documented in the *Branch Out Milwaukee Master Plan*, which also outlines the steps needed for a broad campaign to equitably replenish Milwaukee's tree canopy, led by Milwaukee Water Commons together with a partnership of 30+ municipal and community organizations. The inequitable distribution of tree canopy in urban areas, and the lack of resources to manage trees and other green infrastructure, is an often-overlooked environmental justice crisis.

Water has a profound potential to connect communities around Milwaukee, and equitable investments in addressing water challenges provide substantial, valuable impacts. We have seen this play out through federal grant programs like the Great Lakes Restoration Initiative which has bipartisan support in communities throughout Wisconsin and the Great Lakes region. In Milwaukee, these funding opportunities don't only produce environmental benefits; when done well they build relationships across communities, benefit public health, and generate employment opportunities.

*The story of water infrastructure funding reflects broader patterns of racial and socioeconomic inequity that must be recognized and remedied.*

During the mid-20th century, a period of substantial development and expansion of water infrastructure systems in the United States, federal grants provided the major source of funding for water infrastructure. In 1977, federal funding provided 63 percent of funding for water infrastructure; by 2014 this had fallen to nine percent. To the extent that federal taxpayers still pay for wastewater and stormwater infrastructure, a major portion of these funds flow through the Clean Water State Revolving Loan Fund (CWSRF) program created in 1987.

Federal funding for state CWSRFs provides only a very small portion of the investment needed to address the country's water infrastructure needs, however. For example, according to the U.S. Environmental Protection Agency's latest Clean Water Needs Survey, the EPA estimated that Wisconsin needed approximately

\$316.5 million per year over the next 20 years to meet the state's clean water infrastructure needs, but Congressional appropriations to Wisconsin's CWSRF have averaged around \$39.5 million per year during 2013–2020—about 12.5 percent of Wisconsin's assessed need. Nevertheless, SRFs are currently one of the primary tools available for financing water infrastructure.

Because the vast majority of these funds are provided to local communities as loans rather than grants, local water ratepayers ultimately bear the burden of repaying these loans. Raising rates to levels required to repay all of the funds necessary to address existing water infrastructure needs would render water rates unaffordable. Reluctant to raise water rates and without other funding options, utilities instead postpone making urgent water infrastructure repairs and upgrades. As noted above, however, continued failure to repair and enhance failing and outdated water infrastructure strains the public health of our communities as well as the environmental health of our waterways and ultimately leads to compounding problems resulting in even greater expense. This is particularly true for vulnerable communities that typically face the most urgent infrastructure needs but have the least ability to bear their cost. One example is in the Kinnickinnic River Watershed, as referenced earlier, where the removal of concrete, river naturalization, and installation of green infrastructure could benefit public health by reducing the urban heat island effect, preventing neighborhood flooding and flash floods, restoring natural ecosystems, and filtering water where it falls to reduce the loading of bacteria and other contaminants cited in Total Maximum Daily Load requirements of the Wisconsin Department of Natural Resources. Despite the urgent need, and local expertise, to develop these solutions, the cost of concrete removal is so great that it is unrealistic to expect urgent changes or locally funded action to remediate this blatant environmental injustice.

The inequities of current water infrastructure funding and financing mechanisms become even more apparent when we look more closely at the history of how water infrastructure has been funded—and how the costs of funding water infrastructure have been distributed—over the past century. During the 20th century, small and large cities and towns benefited from extensive federal investments in public water systems. The late 20th century push for disinvestment in urban centers in support of suburban sprawl (later extended to exurban sprawl), and the tendency to construe collectively created problems as the fault of individuals and communities who are, in fact, victims rather than perpetrators of structural problems, are central to understanding the current water infrastructure funding crisis. This scapegoating is a hallmark of how power obscures the structures through which it serves and perpetuates itself, and it is the rhetorical and political linchpin that hampers broad public understanding of this decades-long crisis.

The fiscal pressures created by deindustrialization, regressive tax policy, and federal disinvestment, risky debt financing, mass incarceration, and drastic cuts to revenue sharing at the state level shifted the financial burden of maintaining aging water systems in major urban centers to the water ratepayers that remained in these centers following the white flight facilitated by systemically racist housing and employment factors. These factors include the racial inequality of labor unions and racially disparate federal financial support for home mortgages and opportunities to move to areas with richer opportunity networks. In short, racial discrimination in hiring practices and housing policies locked Black residents into specific neighborhoods and cities.

At the same time as Black and lower-income residents were left behind in older parts of cities suffering the devastating economic downturn of deindustrialization, city water systems were extended to serve the expanding suburbs and exurbs. Not only was this expansion key to enabling white flight, but it was paid for not only by federal grants for water infrastructure (which remained at high levels through the 70s, 80s, and 90s when these economic and demographic shifts transpired) but also by the urban water ratepayers who were themselves left behind with water systems built several decades earlier and increasingly in need of repair and upgrades. Even as these needs grew more pressing, however, the mechanisms through which water infrastructure is funded and financed also shifted dramatically, from federal grants and state cost-sharing to placing responsibility for maintaining, repairing, and upgrading water infrastructure on each locality's water rate payers. As explained above, even to the extent that federal funds were still expended towards water infrastructure, this was increasing in the form of loans issued through the state revolving funds and ultimately repaid by local ratepayers.

Thus, urban (largely Black and low-income) water rate payers essentially subsidized white flight during an era of cost-sharing across states and metropolitan regional water systems, and then were subsequently stuck with the bill for upgrading failing, outdated water systems that severely threaten their public and environ-

mental health and economic security. Detroit provides one of the starkest and best-documented examples of this narrative, but it is a story that is replicated in most major American cities, particularly in the post-industrial Midwest.

Although racism may not be the explicitly stated driver of state and municipal policies today, racist inequity is baked into the way the system functions. Without directly recognizing and remedying these lingering legacies, we will continue to see racially and economically disparate outcomes.

Today, it is local ratepayers who, for the most part, bear the burden of financing the assessment, operation, and maintenance of water infrastructure with far fewer state and federal subsidies. This overreliance on ratepayers compounds other existing inequities. The inability of vulnerable communities to pay for much-needed infrastructure maintenance and upgrades means their needs remain unmet, subjecting these already-vulnerable communities to greater risks of water insecurity and related health, social, and economic impacts.

The current approach is also unsustainable for water utilities who are forced to increase water rates to pay for water infrastructure projects. The COVID 19 crisis and its economic fallout have cast a spotlight on the tragic circumstances of households whose water has been shut off due to inability to pay soaring water bills. Water rates may still be manageable for a majority of ratepayers, including in Milwaukee where, thankfully, utility policies do not favor shutting off water to vulnerable households. Under a business-as-usual trajectory, however, water rates are expected to increase sharply throughout the country, driven in large part by the need to maintain and upgrade water infrastructure which has fallen into disrepair.

We rely on water infrastructure—drinking water, wastewater, and stormwater management systems—to protect our natural waters and ensure access to clean, safe water for drinking, bathing, and recreation. But the vulnerability of our aging and outdated infrastructure, compounded by additional strains on these systems due to climate change, means that even in water-abundant places like the Great Lakes region, communities face the threat of water insecurity.

To address this threat, we need to recalibrate our approach to paying for water infrastructure, to ease the burden currently placed on residential ratepayers and municipal water utilities. Financing and funding wastewater and stormwater management systems must shift from primary reliance on overburdened residential ratepayers to an integrated approach that includes sources of revenues that are more equitable and reliable. As was the case in the mid-20th century, when much of the state's water infrastructure systems were built, federal grants are needed to support these needs. This transition is essential not only to ensure equitable outcomes for vulnerable communities, but also to enable public water systems to become financially, structurally, and operationally resilient, reliable, and sustainable.

Solving the complex, challenging, intrinsically connected problems of inequity, water insecurity, and water infrastructure funding will entail more than throwing more money at the dual problems of deteriorating water infrastructure and water affordability. We also need to critique and reform how we think about water infrastructure and the essential role it plays in supporting our individual and collective public health and wellbeing, social coherence and social stability, and our shared prosperity. How we pay for water infrastructure should be guided by these key principles:

- *Public water systems must be understood as a public good and service that assures safe, clean, and affordable water for all.* Water infrastructure is more than an assemblage of pipes, treatment plants, bioswales, cisterns, and other physical assets. These assets must be understood in terms of the water services they are meant to provide, and the communities of people they are meant to serve.
- *Inequity, infrastructure funding problems, and the threat of water insecurity are intrinsically linked.* The failure to adequately fund water infrastructure as well as the social, health, environmental, and economic inequities experienced by vulnerable communities' stem from the decoupling of water infrastructure and equity values.
- *Public Trust principles provide a framework to reorient our understanding of human-built water systems, and how we should pay for them, by recoupling water infrastructure and equity.* Water is a public commons. Our drinking water, wastewater, and stormwater management systems exist to protect and deliver safe, clean water for hydration, sustenance, bathing, and health—the same uses that are protected under the deeply rooted principles of Wisconsin common law and the common law of all the States, as well as the common nature of water under the public trust doctrine that underpins our water governance. We should understand that our human-built water infrastructure exists to fulfill the public trust in water by making water available for our needs in

our 21st century context—in other words, a modern-day iteration of the classic, public-trust duty to safely steward waters for the benefit of communities' sustenance, health, and livelihoods.

In line with these principles and the need to recognize and redress the inequities demonstrated by current water infrastructure funding mechanisms, we recommend that federal funding for water infrastructure be dramatically increased to approximate the levels of federal grant funding provided in the mid-20th century and, moreover, that federal funding shift away from the provision of rate-payer reimbursed loans toward greater provision of grants, particularly for vulnerable communities.

#### FEDERAL LEADERSHIP CAN SPUR LOCAL PARTNERSHIPS TO ADDRESS INEQUITIES IN THE WATER SECTOR WORKFORCE

In 2018 Milwaukee Water Commons began facilitating one of seven Water Equity Task Force groups piloted by the US Water Alliance in cities across the country. In Milwaukee, the Water Equity Task Force is a cross-sector partnership between water utilities, environmental nonprofits and community-based organizations, educational institutions, and workforce development organizations. The Task Force focused on establishing greater access to living wage employment in Milwaukee's water sector, recognizing that even with fewer requirements for advanced degrees and the promise of jobs, Milwaukee's water sector did not represent the diversity of our city despite Milwaukee's employment disparities. The outcomes of our work led to the production of two reports: (1) the UWM Center for Economic Development's, *Water Needs Assessment: Pathways to Employment in a Water Centric City*, which assessed the employment in Milwaukee's existing water sector and barriers/pathways to employment for Milwaukee residents and (2) the *Milwaukee Water Equity Roadmap*, which makes recommendations on how stakeholders from around Milwaukee can lean into establishing a more equitable water workforce.

In a 2018 report, *Renewing the Water Workforce*, the Brookings Institute determined that in 2016 around 1.7 million workers in 212 different occupations were directly involved in designing, constructing, operating and governing US water infrastructure. We generally think of the water sector—including stormwater, wastewater, natural, and drinking water infrastructure—as a catalyst for supporting our country's water economy, which includes a larger set of industries such as tourism, service, recreation, and fishing. All of these industries rely on benefits from sustainably managed water systems and stewardship of our communities' relationships with water. Notably, the Healing Our Waters Coalition projected that for every dollar spent on Great Lakes restoration there is a three-dollar economic return in the Great Lakes region.

Water jobs are also more likely to be living-wage jobs, relative to the economy as a whole. The Brookings Institute also determined that water occupations around the country pay more on average compared to all national occupations, and also pay up to 50 percent more to workers at the lower 10th–25th percentile of the income scale. Most employment opportunities in Milwaukee's water sector provide living wages and tend to have minimal educational barriers to entry because many incorporate on-the-job trainings. In Milwaukee in 2017, average wages for entry-level positions across the water sector were \$22,140 but could range as high as \$51,220. Median wages for all occupations averaged at \$38,670, but could range as high as \$81,700 for specific professions.

Investments in resilient and sustainable water infrastructure also have profound benefits for public and environmental health, in addition to spurring employment opportunities and developing more economically sustainable communities. In particular, the need or skilled maintenance of green infrastructure to address stormwater concerns establishes long-term employment opportunities as a critical component of resilient water management, trades such as green infrastructure construction and maintenance should demand larger wages.

Milwaukee's Water Equity Task Force found that water sector employers around the Greater Milwaukee Area expressed growing concern about the age of the water workforce and looming retirements, technical training needs associated with increasing technology in water-related occupations, and decreases in federal funding for infrastructure. Water sector employers and members of the Milwaukee Water Equity Task Force also expressed concerns about the lack of visibility for water sector employment, and a lack of diversity in water sector professions. These concerns are echoed nationally in the Brookings Institute's 2018 study which found that on average water workers are older than the national median, and that in 2016 nearly 85% of water workers were male and two-thirds were white. In some cases, in Milwaukee and surrounding counties, among professions associated with Milwaukee's

Water Sector such as pipelayers, plumbers, pipefitters, and steamfitters, 85–100% dominated by white males.

At the same time, in Milwaukee the unemployment rate for African Americans is more than three times that of white residents. The average household income in Milwaukee was approximately \$28,000 for African American residents, \$34,000 for Latinx residents, and \$53,000 for white residents in 2019. Barriers to employment such as transportation challenges disproportionately impact communities of color, 27 percent of African American household's lack access to a car, compared with 11 percent of white households. In Milwaukee, slightly more than one-fifth of Latinx households are considered "limited English speaking." In 2020, 38 percent of jobs in the city of Milwaukee require at least a high school diploma, 62 percent require some level of training after high school, and 39 percent require an associate degree or higher. Among Milwaukee residents aged 25 or older, 18 percent have less than a high school diploma, but their distribution is not uniform across racial and ethnic groups. In 2015, six percent of the city's white population had less than a high school diploma, as compared to 18 percent of the African American population, 28 percent of the Latinx US-born population, and 55 percent of the Latinx immigrant population. Residents with some level of training after high school comprised 67 percent of the city's white population, 48 percent of the African American population, 42 percent of the Latinx US-born population, and 15 percent of the Latinx immigrant population.

The challenges creating vulnerability in Milwaukee's communities are systemic, and require intention to decipher and dismantle. It is not enough to advertise employment opportunities to a more diverse group of individuals recognizing that communities of color in Milwaukee do not have the same access to education and training, to reliable transportation, and to other services that make these jobs accessible to white residents. Through collaboration, and with time, the Milwaukee Water Equity Task Force was able to build trust and understanding to form recommendations that begin to interrupt these challenges. What we learned is that our approaches need to address compounding, complex problems experienced by vulnerable communities, and they need to be informed and supported by community leadership. Folks living in neighborhoods around Milwaukee understood these challenges before we measured the employment statistics, and it is likely that many solutions to community vulnerability around the country will be found through collaboration between water sector employers and local communities.

Funding to address water infrastructure challenges should hold recipients accountable to forge positive change, and to be intentional about workforce equity and community benefits. It is important that the decision makers leading on infrastructure repair in our communities are considering the impact of their existing workplace policies and practices, and financing community benefits through their procurements with contractors. These elements should not be construed as add-ons to infrastructure financing. Rather, they must be understood as investments in overcoming nationwide segregation and marginalization from wealth building, environmental health, and public health. Urging this approach at a federal level will influence innovation among water sector employers, and change the way that our communities relate with the water sector.

We recommend that legislation to fund water infrastructure investments should require recipients to track and report the impact that this funding is having on vulnerable communities around the nation. This means tracking and reporting on workforce diversity and the diversity of contractors/subcontractors, policies and practices aimed at fostering workforce equity, and how funded programs address environmental injustice. This reporting could be done through the Environmental Protection Agency's Office of Environmental Justice and should show measured contributions to both federal and local plans to address environmental and economic justice concerns. To establish more institutional accountability and coordination, the Milwaukee Water Equity Roadmap has made specific recommendations regarding the importance of tracking water jobs under a singular employment sector recognized by regional workforce centers. To the extent that tracking employment statistics for water infrastructure investments might aid in developing an understanding of positions that fall within our nation's water sector, and ways to leverage additional programs to increase the economic impact of investing in the growth of this sector, we recommend that the US EPA should work with the Bureau of Labor Statistics to establish specific tracking of America's water sector.

We recommend that guidance on federal infrastructure funding strongly advocate for local cross-sector coalition building, especially with neighborhood organizations, nonprofit organizations, workforce development organizations, and community resource organizations. Overcoming the barriers of segregation to ensure equitable impact of these funds will require intersectional analysis and cross-sector leadership.

Further leveraging work happening locally and across sectors to address compounding systemic challenges, will deepen the impact of these funds on our nation's most vulnerable communities.

We also recommend that federal investments in water infrastructure should include procurement preferences for projects with an additional commitment to establishing community benefits agreements. Community benefits models have been piloted with great success by utilities around the country such as in Louisville KY and San Francisco CA. Community benefit agreements deepen relationships between water utilities and the communities they serve, while also bolstering the impact that infrastructure investments have on priorities at a neighborhood level. Community benefits could take the form of investments in wrap around services, working with community resource organizations and workforce development organizations to leverage existing federal, state and local programs to support job seekers that face additional barriers to employment. Other possibilities include support for transitional jobs programs and young/emerging entrepreneurs without the wealth or experience to navigate existing procurement policies or set-aside financing to support the development of community spaces establishing access to a healthy environment and building on the social determinants of health in neighborhoods struggling to overcome legacy pollution.

The examples and recommendations in this report are meant to make a case for the urgent need for federal infrastructure funding, and the key role that infrastructure financing must play in addressing environmental justice concerns around the country. Though many communities, including those in Milwaukee, are increasingly dealing with vulnerability caused by outdated infrastructure, there is a lack of urgency and equity demonstrated by both the insufficient levels of federal funding appropriated and how federal funding has been used to alleviate this vulnerability. Here we offer three key takeaways on how increased federal funding for the Clean Water State Revolving Fund could have an impact on these issues:

1. Funding for water infrastructure must prioritize and greatly increase the amounts of infrastructure funding that is received as grant funding and prioritize water infrastructure grants for vulnerable communities.
2. To stimulate equitable economic impacts from these investments, there is a need for more equitable workforce policies and practices. Improved policies and practices should be encouraged by federal guidelines for tracking workforce diversity, strategies for developing a more equitable workforce, and how dollars are contributing to alleviating environmental injustice.
3. To spur local collaboration and maximize impacts, federal investments in water infrastructure should be tied to procurement requirements that include community benefits agreements.

Thank you for the opportunity to provide testimony.

Mrs. NAPOLITANO. Thank you, Ms. Coley.

And now we will proceed to Mr. Mallino. Mr. Mallino, you may go.

Mr. MALLINO. Thank you, Chairwoman Napolitano, Ranking Member Rouzer, and members of the committee for inviting me to testify before you today. My name is David Mallino, and I am here on behalf of the Laborers' International Union of North America, LIUNA.

LIUNA members are engaged daily in efforts to build and maintain our Nation's vital physical infrastructure, the things that we use so often that we do not pay any attention to them until something fails—a bridge, a tunnel, the electricity grid, water systems. The programs under this committee's jurisdiction provide family-sustaining work for LIUNA members, who are actually building the infrastructure systems that make our daily lives possible and keep the wheels of commerce moving.

The topic of today's hearing is both timely and important. Properly constructed and maintained wastewater treatment systems are the most basic and critical infrastructure systems for protecting public health and the environment. According to EPA's most recent needs survey, which was released nearly 10 years ago, communities

have documented at least \$271 billion of investment over the next 20 years to bring their systems to a state of good repair. I imagine the current need is likely higher.

Existing infrastructure is aging, and critical failures are increasing at a rapid rate, and in desperate need of repair and replacement. Wastewater infrastructure must also become more resilient to the impacts of climate change, including sea level rise, stronger and more frequent storms, and flooding. Much of our Nation's water infrastructure piping was put in the ground over 50 years ago, and many communities have failing pipes that are over 100 years old.

Additional funding dedicated specifically to the replacement of failing wastewater and drinking water pipes should be authorized. LIUNA supports increasing the authorization levels for the Clean Water SRF to help ensure a stable funding source, particularly for wastewater infrastructure needs.

Unfortunately, America's infrastructure needs disproportionately impact economically disadvantaged communities across the Nation. More than 2 million people do not have access to high-quality drinking water and wastewater services. According to the Indian Health Service, whose workers LIUNA proudly represents, sanitation deficiencies on Tribal lands include more than 1,800 projects with an estimated cost of \$2.78 billion. Federal legislation is urgently needed.

Last Congress the committee unanimously reported H.R. 1497, the Water Quality Protection and Job Creation Act of 2019, which sought to authorize Federal appropriations for major Clean Water Act infrastructure programs, including the Clean Water SRF.

The legislation being considered should build on that bipartisan effort and increase the authorization levels for clean water. The fund is the primary source of Federal support for wastewater infrastructure and has proven to be one of the most effective environmental infrastructure funding tools in our Nation's history.

Thousands of wastewater treatment facilities and stormwater management projects have been constructed with SRF dollars over the past 30 years, contributing directly to improved water quality in lakes, rivers, and estuaries across the Nation. Congress must renew the Federal commitment to clean water infrastructure and set authorization levels at the appropriate level to address the documented project backlog and provide funds for critical resiliency upgrades and other future needs.

LIUNA and our partners in the Water Infrastructure Network, an organization that includes other unions, contractors, elected officials, drinking and wastewater service providers, and engineers, are pleased to continue to support the current effort.

We commend the committee's bipartisanship on these issues and we support increasing authorization levels to support the adequate investment into wastewater infrastructure. The need is there, the workforce is available, and the benefits unquestionable.

Water infrastructure investments have interrelated benefits that are so broadly shared that failure to make them is unreasonable, bordering on the absurd: direct job creation for LIUNA members, indirect job creation that results from those workers having money in their pockets, improved public safety, and improved environ-

mental health, which in and of itself creates another stream of job creation and economic benefits.

Few, if any, Federal investments have such a beneficial impact on the American people it is incomprehensible that we delay in making them. Estimates vary a bit, but it is projected that every \$1 billion invested in our Nation's water infrastructure creates over 20,000 jobs in communities across America while improving public health and the environment at the same time.

By including domestic and local sourcing of labor and material requirements, Congress can spread the benefit of these investments across wider segments of the economy and help local communities reap even greater economic benefits.

I will wrap up and just say I am happy to take any questions, and we look forward to working with the members of the committee to enact this important legislation. Thank you for the time, and I look forward to taking any questions.

[Mr. Mallino's prepared statement follows:]

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**Prepared Statement of David Mallino, Legislative Director, Laborers'  
International Union of North America**

Thank you Chairman Napolitano, Ranking Member Rouzer, and members of the Committee for inviting me to testify before you today. My name is David Mallino and I am here of behalf of the Laborers' International Union of North America, LIUNA.

LIUNA members are engaged daily in efforts to build and maintain our Nation's vital physical infrastructure, the things that most Americans use so often that we do not pay any attention to them until something fails ... a bridge, a tunnel, the electricity grid, water systems. This subcommittee and the full Transportation and Infrastructure Committee are job creators for the plurality, if not the majority, of our union's members. Many of the programs under your jurisdiction provide family sustaining work for LIUNA members who are actually building the infrastructure systems that make our daily lives possible and keep the wheels of commerce moving.

The topic of today's hearing: "Building Back Better: The Urgent Need for Investment in America's Wastewater Infrastructure" is both timely and important. Our friends at the American Society of Civil Engineers have most recently given the Nation's wastewater infrastructure a grade of D+ ... which is woefully inadequate and something that Congress should urgently address. Properly constructed and maintained wastewater treatment systems are the most basic and critical infrastructure systems for protecting public health and the environment.

THE NEED

An estimated 10 trillion gallons of untreated runoff flows into America's streams and rivers annually, and combined sewage overflows discharge 850 billion tons of raw sewage and storm runoff into nearby bodies of water each year. Additionally, it is projected that more than 56 million new users will be connected to centralized treatment systems over the next two decades. According to EPA's most recent needs survey, which was released nearly 10 years ago, communities have documented at least \$271 billion of investment over the next 20 years to bring their systems to a state of good repair. I imagine the current need is likely higher.

Communities face growing challenges in managing the water resources necessary to support growing and shifting populations coupled with complex affordability challenges. Some are forced to contend with diminishing rate bases, while others contend with growing populations, often with consumers unable to afford the rising costs of clean water. Drought, floods, and pollution contamination require the creation of multi-benefit projects such as water recycling, storm-water management, and groundwater replenishment.

Nationwide, water utilities and communities of all sizes seek to ensure clean, safe, accessible, and affordable water, all the while dealing with the challenges of extreme weather events and mounting concerns regarding water quality and quantity.

Existing infrastructure is aging and critical failures are increasing at a rapid rate and desperately needed repair and replacement and wastewater infrastructure must also become more resilient to the impacts of climate change, including sea level rise, stronger and more frequent storms, and flooding.

Communities across our nation now face the daunting challenge of replacing thousands of miles of water and wastewater pipes that pose growing threats to public health and the environment. Much of our nation's water infrastructure piping was put in the ground over 50 years ago and many communities have failing pipes that are over 100 years old. As we look to make historic investments in our nation's water infrastructure, we should consider providing additional funding dedicated specifically to the replacement of failing wastewater and drinking water pipes.

As a result of the Covid-19 pandemic, many households and communities across the nation are under financial strain. Accordingly, wastewater utilities are facing a decrease in revenue. While there is state and local relief contained in the current Covid relief package being considered by Congress, LIUNA supports increasing the authorization levels as a part of the Water Quality Protection and Job Creation Act as a means to help insure a stable funding source, particularly for wastewater infrastructure needs.

There are also additional costs to communities to come into compliance with the Clean Water Act. In a 2017 report, the National Academy of Public Administration examined the challenges local communities face in providing affordable water and wastewater services. This report concluded that the governmental responsibility to assure clean water that is also affordable to both communities and individuals has become an increasing challenge.

It is an unfortunate fact that America's infrastructure needs disproportionately impact economically disadvantaged communities across the country. While the majority of people living in the United States have access to high-quality drinking water and wastewater services, more than two million do not have access to adequate drinking water and sanitation. According to the Indian Health Service, whose workers LIUNA proudly represents, sanitation deficiencies on tribal lands include more than 1,800 projects with a total estimated cost of \$2.78 billion.

Federal legislative action is urgently needed.

Last Congress, the Transportation and Infrastructure Committee unanimously reported H.R. 1497—the Water Quality Protection and Job Creation Act of 2019, which sought to authorize Federal appropriations for major Clean Water Act infrastructure programs administered by the U.S. Environmental Protection Agency (EPA), including the Clean Water State Revolving Fund (SRF). The fund is the primary source of Federal support for wastewater infrastructure, and was last reauthorized by Congress in 1987, and its authorization expired in 1994. The CWA SRF has proven to be one of the most effective environmental infrastructure funding tools in our Nation's history. Thousands of wastewater treatment facilities and storm water management projects have been constructed with SRF dollars over the past 30 years, contributing directly to improved water quality in lakes, rivers and estuaries across the nation. However, these critical water quality improvements will be lost if we fail to make needed investments in America's wastewater and storm water infrastructure.

Despite widespread support, the authorization levels for the Clean Water SRF have not been adjusted since their enactment over 30 years ago. Congress must renew the Federal commitment to clean water infrastructure and set authorization levels at the appropriate level to address the documented project backlog and provide funds for critical resiliency upgrades and other future needs. Legislation being considered now should build on that bipartisan effort and increase the Authorization levels for the Clean Water SRF.

LIUNA and our partners in the Water Infrastructure Network (WIN), an organization that includes other unions, contractors, elected officials, drinking water and wastewater service providers and engineers, are pleased to continue our support for the current effort.

Through our partnership with WIN, LIUNA and our allies have worked collaboratively to try and address the Nation's critical water infrastructure deficit, including important investments to meet local community's wastewater need. We commend the committee's bipartisanship on these issues, and we support increasing the authorization levels to support adequate investment into wastewater infrastructure. The need is there ... the workforce is available ... and the benefits unquestionable.

Water infrastructure investments have interrelated benefits that are so broadly shared that failure to make them is unreasonable ... bordering on absurd: direct job creation for LIUNA members and others, indirect job creation that results from those workers having money in their pockets, improved public safety, and improved

environmental health, which in itself creates another stream of job-creation and economic benefits.

Few if any federal investments have such a beneficial impact on the American people that it is incomprehensible we delay making them.

#### JOB CREATION AND ECONOMIC ACTIVITY

Investing in clean water creates thousands of domestic jobs in the construction industry and has additional induced economic benefits. According to US Department of Commerce's Bureau of Economic Analysis (BEA) estimates, for every dollar spent on water infrastructure, approximately \$2.62 is generated in the private economy, and for every job added in the water workforce, the BEA estimates 3.68 jobs are added to the national economy. Estimates can vary a bit, but it is projected that every \$1 billion invested in our Nation's water infrastructure creates or sustains over 20,000 jobs in communities across America while improving public health and the environment at the same time.

Wastewater infrastructure improvements also support healthy economies. Construction projects create good-paying jobs, and, where new facilities are built, workers are needed to operate and maintain them. Upgraded infrastructure results in cleaner water, which is essential for many businesses and sectors of the economy.

Clean water infrastructure helps prevent contamination of our Nation's waters that are relied upon by the recreational industry. People spend approximately \$70 billion per year on recreational boating and fishing; that industry employs more than 150,000 people.

By including domestic and local sourcing of labor and materials requirements, Congress can spread the benefit of these investments across wider segments of the economy and help local communities reap even greater economic benefits. Utilization of project labor agreements (PLAs), community benefit agreements, local hire, and other provisions and practices that prioritize improving training, working conditions, and project benefits, including respect for collective bargaining agreements and workers' organizing rights, will help ensure that the jobs created provide good wages and benefits. This will also enhance workforce training and development programs to expand the number of skilled workers in disadvantaged populations.

#### CONCLUSION

It is time for Congress to renew the Federal commitment to invest in our Nation's wastewater infrastructure and, in doing so, ensure that affordable assistance is available to all communities, regardless of location, demographics, or economic situation. Investing in our Nation's wastewater and storm water infrastructure makes eminent near-term and long-term economic sense.

LIUNA stands fully committed to working with the bipartisan leadership of the Transportation and Infrastructure Committee to enact the Water Quality Protection and Job Creation Act as soon as possible.

Mrs. NAPOLITANO. Thank you, Mr. Mallino. And all the testimony is very, very enlightening to a lot of us. Thank you.

We will now proceed to our question period, and again, we will use the timer to allow 5 minutes for questions from each Member. If there are additional questions, we may have a second round, maybe. I will begin the questioning by allowing Mr. DeFazio to proceed. Mr. DeFazio.

Mr. DEFazio. Thank you, Madam Chair. I appreciate the opportunity to ask questions first.

Mr. Mallino, you just said over 20,000 jobs. So you are in substantial agreement with the utility contractors; they said 28,000 jobs created per \$1 billion invested in wastewater. So it is somewhere between 20,000 and 28,000 would you say?

Mr. MALLINO. I have seen the numbers range between 23,000 and 28,000 and I like to hedge my bets. So I went broad.

Mr. DEFazio. OK. And you said—you repeated, which I think reinforced Mr. Teske, that domestic sourcing is critical because that also creates more jobs in the United States. Is that correct?

Mr. MALLINO. Absolutely. The laborers support “Buy America” strongly as well as a host of other labor standards to make sure the job creation is quality job creation.

Mr. DEFAZIO. Right. Mr. Teske, you talked about expanding your plants in the U.S. That was impressive. What if the Federal Government was making more investment? How are we going to source—and we have a strong “Buy America.” What is going to happen? Do you think you would be building, potentially, more plants or otherwise expanding your capacity?

Mr. TESKE. Well, I think first we are going to grow our capacity and make sure that our plants are running closer to 100 percent capacity. And beyond that, I would say we continue to look and grow, and then grow manufacturing capacity.

And I am also involved with the Municipal Casting Association, which is a number of different domestic foundries who are all committed to growth and meeting demand. We look forward to the opportunity, sir.

Mr. DEFAZIO. So if the investment were made in the near future, you’re pretty confident at least by expanding, perhaps, your shifts or other things within the capacity of your plants, you could meet demand, an increased demand short term?

Mr. TESKE. Yes, sir. I am very confident that we can.

Mr. DEFAZIO. OK. Great.

To anyone: The SRF was created back in the Reagan era instead of direct grants to municipalities or counties or sewer districts.

This puts the State in the driver’s seat. Are there issues with the fact that the State chooses the priorities? I know that this has been a particular problem with Tribes in the past, and that’s why I did a Tribal self-determination on transportation a number of years ago.

But it also seems to me it could be creating issues for local districts or communities. Some State governments or agencies tend to favor certain areas of the State and neglect others, I think.

Anybody have thoughts on if there are problems at that level, and how we can deal with them?

[No response.]

Mr. DEFAZIO. Well, it’s a thought. You can get back to me later.

OK, Madam Chair, with that, I would yield back, but I would urge people to think about the role of the States here, and how they prioritize things and whether or not we need to be more directive. We’re proposing to be more directive, in terms of funds to low-income communities with forgivable loans with a certain percentage and to Tribal Governments and other underserved areas. I’d just like to see people get back to us later if they have further thoughts.

Thanks, Madam Chair.

Mrs. NAPOLITANO. Thanks, Mr. Chair.

I would ask all witnesses to consider, and respond in writing to the committee. Thank you very much.

Next we have Ranking Member Rouzer.

Mr. Rouzer, you may proceed.

Mr. ROUZER. Thank you, Madam Chair, and I greatly appreciate the benefit of the testimony of our witnesses today.

There is no question there is a tremendous amount of need. The question is what we can afford and how can we pay for it, and what I really want to focus on is how do we get the most value for the taxpayer dollar. How do we get the biggest bang for the buck?

You know, Mayor Berger, you had focused in on and had specifically mentioned that we need to have a change in how we handle mandates. Would you mind expanding on that a little bit?

And as a followup to that, how can regulations be smarter and implemented more efficiently to reduce that regulatory burden in those unfunded mandates and yet still provide the environmental protection that we need?

Mr. BERGER. Thank you, Congressman.

My sense about this is that we continuously see mandates kind of rolling down the hill at us all the time, and consequently, it was very welcome news to, as I mentioned in my testimony, to understand that this authorization bill that you are considering has no additional mandates.

So I think the first issue is not to act on additional mandates for local government unless and until there really are resources made available on the scale that can address the mandates that are being given to us.

What our sense is is that the affordability for local communities is truly pricing water and wastewater beyond the households of the poor and the middle income, and as a result, that simply will over time force people off of our systems, force them to consider options that perhaps are not healthy, and consequently, I think they become self-defeating.

So my first option is not to invent additional mandates, again, without a scale of resources that allows us to deal with that.

And certainly, you know, we could point to recent action on the lead and copper rule. We could point to the kinds of concerns that obviously are there around phosphorus and nitrogen levels. All of those kinds of things have real dollar impacts that we need resources from the Federal Government to help us address, if we are going to be expected to address them.

Mr. ROUZER. You also talk a lot about integrated planning. There are some that believe that integrated planning uses affordability as an excuse to roll back Clean Water Act protections.

In your opinion, does integrated planning weaken water quality protections under the Clean Water Act?

Mr. BERGER. I absolutely believe it does not. We were the first community in the Nation to actually base our long-term control plan on integrated planning and to get it approved through both the Federal Government and our State government, and that was in 2014.

That process worked for us because we were able to get, as a result of the involvement with the various stakeholders, consideration of an extended term. We did not get relief on what the objective is. We got a term of 27 years for our consent decree.

That was the longest period allowed to a community to address these issues. So on the front end of that process, we had what were called early action projects, which committed us to spending about \$60 million out of a \$150 million commitment.

After we are done with those early action projects, which we are beginning to wrap up now, we will have a period where we get to pay down debt that we have taken on in order to deal with prior projects, but also with some of the early action projects.

And by virtue of that pay-down period, we then positioned ourselves in the next phase, for the balance of the projects that we commit to, to be able to afford those with additional future debt.

We are not being relieved of any of the Clean Water Act responsibilities that we have under the law, but we are being given time to be able to structure the way in which those projects are done and thereby keep the rates more affordable than would have otherwise been possible if everything had been expected as when this process began. It was all supposed to be done in 10 to 12 years.

That would have bankrupted us, and so integrated planning is not about relief from the obligations for clean water. Instead it is about how do we get it done in an affordable way.

Mr. ROUZER. Madam Chair, my time has expired.

Mrs. NAPOLITANO. Thank you, Mr. Rouzer. I appreciate that.

The next question period will be mine, and I am addressing to Mr. Sterud.

Besides providing more Federal investment to the Tribal lands, what can come [interruption to audio] and insofar as the discussion draft for the Clean Water State Revolving Fund, what did we get right?

What issue should we address as we move this through the committee process?

And what can Congress do to make sure individual households can pay their water bills if rates increase due to improvements?

And I will go ahead and let you answer, sir.

Mr. STERUD. I am sorry. You cut out halfway through and then you came back on for the—

Mrs. NAPOLITANO. Beyond providing more Federal investment in Clean Water SRF, what can we do to help troubled communities to ensure they have adequate water infrastructure and sanitation services?

And what can we get right? What issue should we address?

And then what can we do to make the individual household make it more affordable in case the rates are increased because of improvements?

Mr. STERUD. Well, that covers a large area, but I can safely say that Indian Country in a lot of ways is like Third World conditions. Across the country, all Native communities are sometimes isolated, are the last on the list to get Federal or State funding, and they need to work together to help us out.

And for these Tribal communities, being able to speak on this subject is very important.

The impacts on our health and our environment, we just need more funding. Speaking for resources must be a priority. We have a treaty that allows us to catch salmon, that allows us to go [interruption to audio] diving, shellfish harvesting, and those are all impacted by wastewater, and they are dying.

Water sanitation infrastructure is a big cause. We have lived on these foods since time immemorial. We need to protect them. They are our health food. They are our medicine.

Mrs. NAPOLITANO. All right, sir. Well, given the list of infrastructure needs, we rank water infrastructure the most important. What does investment in water infrastructure mean to the Native American community?

Mr. STERUD. Well, it means living a healthier lifestyle. It means growing good, growing in a good way. It means our treaty-protected resources are protected, and that is our lifeblood.

And we need help. And we are doing the best that we can. And we are also working with our State people, our local governments.

You know, it is a big issue that we all have to put our hands around.

Mrs. NAPOLITANO. Well, are your local agents prepared to provide the operations and maintenance on the improvements?

Mr. STERUD. I would say yes. You know, we have a good working relationship with the different governments.

But we are kind of left out of the argument.

Mrs. NAPOLITANO. [Inaudible] inclusion?

Mr. STERUD. Yes.

Mrs. NAPOLITANO. Understood. Well, sir, thank you very much for your time.

And I will proceed to the next witness. I mean to the next question. Representative Johnson, you are on.

Ms. JOHNSON OF TEXAS. Well, thank you very much.

And let me thank all of our witnesses.

Let me just preface any questions I might have by calling your attention to the major situation we find ourselves in in Texas. I represent Dallas, Texas, and I listened very closely to Mr. McFoy.

Mr. McFoy, if you were in Texas at this time, how would you advise us on the infrastructure services that we need to look at?

Because what has happened there and what is going on there is likely to happen anywhere. With the climate change, we get predictions about weather changes and things that are going to happen.

In general, and I do not want to put too much of a burden on you to know about what is going on in other places, but what do we need to do in this country to be more prepared for what we are obviously looking forward to doing?

Because we are not going to be able to do whatever it takes to completely address climate change in any time that I can foresee in the future. We can work on it a little at a time, but I suspect that most major cities can be caught off guard when we have incidents like we are going through in Texas right now.

What do you see as we go forward that we need to do in this country, especially with our water systems, to be somewhat a step ahead?

Mr. McFOY. That is an excellent question.

One of the things that we are focusing in here in Buffalo is just having a resilient system, and that goes around with everything that we do.

So whether that is capital improvements or our operation and management of our facilities, it is critical that you look at the risks associated with climate. So here in Buffalo we are on the shores of Lake Erie, and what we have been seeing is high water, and

that has had an effect on where we have our facilities located. So that is our issue.

Of course, you know, it snows here all the time. So we are used to this snow end of it, but other places have to see with climate change what are the different aspects that are coming their way, and then focus in on the resiliency of all of their platforms.

So while I do not have specifics on what is going down in Dallas and in the Texas area, that would be my advice to all of our peers, is that we really focus in on the resiliency especially in the face of these climate realities.

Ms. JOHNSON OF TEXAS. Well, thank you very much.

Are there any other witnesses who would like to comment on that?

[No response.]

Ms. JOHNSON OF TEXAS. I can certainly understand why.

What then can we—and I guess this is basically to Mr. Mallino.

You outlined the need for investment in America's wastewater infrastructure, and you note that an estimated 10 trillion gallons of untreated runoff flow into America's streams and rivers annually, and that it is projected that more than 56 million new users will be connected to centralized treatment systems over the next two decades.

Every major city, of course, needs to be thinking of this.

What do you believe would be the best general policy that would allow for immediate action in providing for these changes that we need to start to address?

Mr. MALLINO. First and foremost, more money. I mean this was a problem of lack of resources. And we need a renewed Federal commitment to additional resources to allow communities and States across the country to build out their infrastructure needs.

You know, one of my colleagues once said it is not a problem if money can solve it. This is a lack of resources issue and getting money to actually do infrastructure projects is the best way to improve people's lives.

Ms. JOHNSON OF TEXAS. Thank you, Madam Chair. I yield back.

Mrs. NAPOLITANO. Thank you, Ms. Johnson.

And because I skipped over our Republican colleagues, I will call on Mr. Babin, followed by Mr. Weber.

Mr. Babin, proceed.

Dr. BABIN. Thank you, Madam Chair. I appreciate you. Thank you, Ranking Member Rouzer.

We also thank our witnesses for being here with us today.

I represent southeast Texas, which is home to many rural constituents that often find themselves lacking easy access to municipal infrastructure that most urban areas do already provide.

I, a former mayor myself, along with countless other neighbors of mine, rely on onsite decentralized wastewater systems, also known as septic tanks. And now according to the State Onsite Regulators Alliance, or SORA, roughly 25 percent of the population, or about 85 million Americans, rely on decentralized systems to handle their wastewater.

The National Association of Home Builders estimates that 30 percent of all new residential construction will utilize decentralized systems going forward. However, less than 1 percent of all Clean

Water State Revolving Funds allocated over the last 40 years has actually gone towards these decentralized systems.

And to me these numbers just simply do not add up when millions of Americans, including Texans, rely on these systems.

So, Mayor Berger, or any other witness who might want to address this, what role do you see decentralized systems playing in your wastewater infrastructure needs going forward? Mayor.

Mr. BERGER. Congressman, actually for us the city and the townships that are connected to us, the entire city is sewer and a good portion of the contiguous townships. So I personally have no expertise relative to the approach of decentralized systems.

I do know that the State of Ohio has begun to more intensively regulate that approach because the failure of systems seems to be increasing, and so inspection regimes, as well as the amount of acreage that home builders are required to take to install systems.

All of that, I think, is going to continue to happen in order to adequately treat those wastewater concerns.

Dr. BABIN. OK. Thank you very much.

Is there anyone else on the panel that would like to address this septic tank question I have?

There are millions of Americans that have to utilize these.

[No response.]

Dr. BABIN. OK. One other question then, Mayor Berger. How can the Environmental Protection Agency or any other Federal agency, for that matter, better serve these systems and the people that rely on them?

And hopefully I have got enough time for someone else to answer that and take a shot at it as well.

Thank you.

Mr. BERGER. Again, sir, I have no personal experience with the systems, and I would hesitate to offer some advice.

Dr. BABIN. OK. Is there anyone here on this panel who might want to address this?

Less than 1 percent of all of our Clean Water State Revolving Funds have been allocated over a 40-year period to these decentralized systems, when millions, 85 million Americans rely on these septic tanks.

Does anyone else want to take a stab at that?

[No response.]

Dr. BABIN. Madam Chair, I will yield back then.

Mrs. NAPOLITANO. Well, thank you, Mr. Babin.

I think some might have input later. I would suggest that you write those comments back to the committee so that we may review them.

Next we have Mr. Weber. Mr. Weber, you may proceed.

Mr. WEBER. Well, thank you, Madam Chair.

I am not going to have any questions at this time, but I am staying tuned if you want to check with me a little later.

Mrs. NAPOLITANO. All right, sir. Thank you very much.

We will proceed to Mr. Garamendi. Mr. Garamendi, you are on.

May I ask that everybody who is not scheduled to speak mute?

Mr. Garamendi?

[No response.]

Mrs. NAPOLITANO. Is he available?

If not, we will skip to Mr. Lowenthal.

Mr. LOWENTHAL. Thank you, Chair.

This subcommittee on, you know, wastewater infrastructure and the needs and the importance of especially the SRF and the clean water is so, so important.

But one of the things that stuck me, and I do not know if any of you can help me out, when I was doing my reading to plan for the subcommittee and my questions, and that is, you know, we talk about antiquated systems that need to be done, but I am also concerned about systems that were not prepared or should not be prepared, were not planned for what has been put into them.

For example, I was just struck with the flushing of nonflushable wipes that have had tremendous impacts upon systems. People flush these down, and then it impacts our sewer pipes and our treatment facility.

And I am most concerned about a sentence that I read, and I am not sure that any of you can help me, and that is that they contain microplastics that do not break down. So we are now talking about microplastics, and those clog the system.

I am also concerned about the public health crisis. We are ingesting all of those microplastics.

Have your systems had problems? I guess I will ask Mr. McFoy about nonflushable wipes.

What should we be doing about it?

And has anybody studied or seen the impact of these microplastics that clog the system? But they also clog the human body, too. So I am very, very concerned about that issue of microplastics that get into us and get into our systems and clog the systems themselves.

So should we be doing something about that?

You know, it is not just old systems. It is the fact that these systems were never designed to deal with some of these issues. So I am wondering if anybody has had to deal with any of those issues.

Maybe Mr. McFoy?

Mr. McFOY. Congressman, I can take that one.

As far as the first one, which we talked about, flushable wipes, you know, to many of us in the utility industry, that is a misnomer.

What we have found is in most cases, they are not meant to go down into our systems because they simply do not break down by the time that they reach our treatment facility and hence, they cause havoc not only in our sewer systems but when they reach our treatment facilities, as with our screening facilities and things of that nature.

And microplastics here in western New York, we typically have a microplastics ban in place because of the health concerns with many of those microplastics making their way.

What we have been pushing for from a State level here and nationally has really been to push that back onto the manufacturers of these microplastics to make sure that they deal with their waste, and the same way with the flushable wipes.

That responsibility is placed on them before it becomes a problem in our systems and for our residents and customers.

Mr. LOWENTHAL. You know, I have a bill, which is very similar, in a little different concept but very similar to what you are saying,

is to push it back to the producers. I have a bill on plastics in general, and instead of asking the cities and counties to do all the work in terms of recycling and cleaning up of plastics, to put it back on the extended responsibility on the producers of the plastics.

So I agree with you that really it is the producer. They should not be putting these microplastics in, and it really should be their responsibility to help clean up or to prevent all this from happening, and they are not being responsible.

My bill is called Break Free from Plastic Pollution Act, and in the Senate, Senator Merkley and myself are reintroducing that bill this year.

But it really deals with the same concept as you are saying, it is the producers of the plastic that really have to deal with this issue, and they are not.

Thank you, and I yield back.

Mrs. NAPOLITANO. Thank you, Mr. Lowenthal.

It is very interesting to note those ideas. We also must consider all the contaminants in the water because of COVID and what are the future contaminants that we have to deal with in our water? We have to clean that water.

We move on to Mr. Mast. Mr. Mast, you may proceed.

Mr. MAST. Thank you, Madam Chair.

And I want to thank all of the witnesses for being here to discuss how wastewater treatment infrastructure has impacted the economy, how it has impacted the environment, how it has impacted the public health of our communities.

And I want to talk about this issue that is incredibly personal to me and a solution that is readily available.

Now, first, I would be hopeful that we could all agree that everybody, no matter how much money they have, where they live, or anything else, that something that the Government should be tasked with providing above everything is access to clean environment, clean air to breathe, clean water to drink, clean water to swim in, clean land to live on, to work and play on, and I am going to circle this back to a problem in my community.

We have been plagued not just by dirty water. That word does not do justice to it, but by toxic, literally toxic water, labeled that way by the EPA, by the U.S. Army Corps of Engineers, toxic, too toxic for human beings to touch, according to the EPA. Water testing as much as 495 times more toxic than what the EPA has said human beings should come in contact with.

This happens regularly, decimating ecosystems, as many of my colleagues have spoken about, public health, the economy, and this happens, as I said, in my community basically every year, every summer.

Now, in my opinion, nobody should be forced to live like this, especially when the solution is so readily apparent, and I want to talk about just one part of that today.

It was mentioned in many of the comments that were given here, many of the written testimonies, the Clean Water State Revolving Fund. It is due for an upgrade to reflect the needs that States are facing due to aging infrastructure and also due to population changes. That has to be taken into account as well.

So while changes to how the fund's money is disbursed have been mentioned, I think we need to discuss and focus to some degree on the need for adjusting the allotment formula, which has not been changed since 1987.

So in Florida, my State, as an example, since 1987 our population has approximately doubled, making us the third largest State in the country. However, with the current allotment formula, we rank 10th in the amount of funding that we are receiving.

Madam Chair, Madam Napolitano, your State is the most populous State in the U.S. Yet under the current formula, your allotment does not reflect the growth of your State's population since 1987 relative to what other States have seen.

Mr. Ranking Member, Mr. Rouzer, the same is true for your State. North Carolina is the 9th most populous State, yet it is 16th in allotment for the Revolving Fund.

So the Clean Water State Revolving Fund gives States the flexibility to address the really diverse water infrastructure needs that we see across the country, but it is not keeping up with the way different States are changing.

So as I have said, in Florida, the fund has been used for some great projects, to assist with, as my last colleague spoke about, converting aging septic systems to more sound sewer water systems; addressing nonpoint source pollution that is hurting our State's water quality. It has been used for a lot of different things, but that calculus needs to change.

I do have here a letter. I ask unanimous consent to submit this for the record. It is from the Florida Department of Environmental Protection and their secretary, Noah Valenstein, that states reforms that could be used for exactly these purposes.

I ask unanimous consent to submit that, Madam Chair.

Mrs. NAPOLITANO. So ordered.

[The information follows:]

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**Letter of February 22, 2021, from Noah Valenstein, Secretary, Florida Department of Environmental Protection, Submitted for the Record by Hon. Brian J. Mast**

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION,  
MARJORY STONEMAN DOUGLAS BUILDING,  
3900 COMMONWEALTH BOULEVARD,  
Tallahassee, FL 32399, February 22, 2021.

Hon. GRACE NAPOLITANO,  
*Chairwoman,*  
*Subcommittee on Water Resources and Environment, Committee on Transportation and Infrastructure, U.S. House of Representatives, 2251 Rayburn House Office Building, Washington, DC.*

Hon. DAVID ROUZER,  
*Ranking Member,*  
*Subcommittee on Water Resources and Environment, Committee on Transportation and Infrastructure, U.S. House of Representatives, 2164 Rayburn House Office Building, Washington, DC.*

DEAR CHAIRWOMAN NAPOLITANO AND RANKING MEMBER ROUZER:

In considering "The Urgent Need for Investment in America's Wastewater Infrastructure," I urge you to extend your attention to important reforms that can increase the reach, efficacy, and impact of much-needed federal investments in the Clean Water State Revolving Fund (CWSRF) program. Specifically, the Subcommittee should seek to concurrently modernize the Clean Watershed Needs Sur-

vey and the CWSRF allotment to ensure that federal investments that support state and local efforts to build, replace, or enhance wastewater infrastructure are delivered where they are most needed.

As identified in the Environmental Protection Agency's 2016 Report to Congress: *Review of the Allotment of the Clean Water State Revolving Fund*, the true wastewater infrastructure need across the nation may be underreported by states. The Florida Department of Environmental Protection supports the recommendations of the Council of Infrastructure Financing Authorities to modernize the Clean Watersheds Needs Survey in a way that yields an accurate assessment of needs within the scope of the Clean Water Act and without overly burdening limited state and municipal resources. Efforts to fix chronic problems associated with the Clean Watershed Needs Survey must also be accompanied by the modernization of the CWSRF allotment.

The 2016 Report to Congress demonstrates that the current CWSRF allotment misallocates federal investments based on decades-old assumptions that no longer apply. To better illustrate the flaws in the current allotment, consider that in 2020 the fourth-most populous state in the nation (New York) was awarded more CWSRF funding than the combined sum received by the first- and third-most populous states (California and Florida).

Florida, in particular, is home to some of the nation's most economically and environmentally valuable watersheds, yet our state's per capita CWSRF funding has shrunk to one of the lowest in the nation even as the state's impressive population growth has generated unprecedented demand for new and improved wastewater infrastructure. The Florida Department of Environmental Protection endorses the bipartisan efforts of Senators Rubio and Scott, Congressman Waltz, and Transportation and Infrastructure Committee members Brown, Mast, and Webster to address these disparities by passing the Clean Water Allotment Modernization Act.

To best identify and fulfill the urgent wastewater infrastructure needs around the country now and into the future, it is imperative that Congress links the provision of new federal investments in wastewater infrastructure to a modernized Clean Watershed Needs Survey and Clean Water State Revolving Fund allotment.

Sincerely,

NOAH VALENSTEIN,  
*Secretary.*

cc: Florida's congressional delegation

Mr. MAST. Thank you, Madam Chair.

And in that I would urge the committee to look at updating how this revolving fund is being disbursed so that it is disbursed in a more equitable way based upon a State's population and its needs accordingly.

With that, Madam Chair, I yield back.

Mrs. NAPOLITANO. Thank you, Mr. Mast.

That is a great point, and we will look at it further.

Mr. Pappas, you are recognized. You may proceed.

Mr. PAPPAS. Well, thank you very much, Madam Chair.

And I want to echo the comments of Mr. Mast and so many other colleagues who are calling for reauthorization and modernization of the Clean Water State Revolving Fund, and that is something I hope we can accomplish in a bipartisan fashion in this Congress.

Today I want to focus my comments on an issue that is so critical to the public health concerns in my district, to our environment, to the availability of clean water, and that is the issue of these toxic "forever chemicals" known as PFAS and the need to regulate them under the Clean Water Act.

Ms. Coley, I thought you offered some powerful testimony about the downshifting we have seen of the financial burden from the Federal level to local ratepayers to deal with water infrastructure needs and as this pertains to emerging contaminants that you are seeing in Wisconsin and the need to adapt our water infrastructure to address issues such as PFAS.

I wonder if you could comment on the financial and operational strain that is placed on local utilities in meeting this growing and urgent health crisis [inaudible].

Ms. COLEY. Thank you for the question.

You know, PFAS is a host of contaminants. It is more than one that is affecting our water, and in many ways, we do not know exactly what they are. So we really need to have some money to research to find out what is exactly in water.

And our waste treatment facilities need to have systems in place where they can filter these PFASs out, which means really where did they come from. They really came from corporations knowingly or unknowingly polluting our water, dumping contaminants and poisons, toxins in our water.

And so we have to form a partnership really with these corporations to have some responsibility to mediate the harm that they gave to the environment.

So we need resources to really do research on this PFAS, to find out what they are, where they are, and how we can get rid of them, and then to give waste treatment facilities the resources to be able to ferret them out, to be able to look for them.

And this is part of it. We do better when we know better, right? And so we have to find out what we need to do.

It is the same thing really with these wipes that are unflushable. We have to first tell the community, educate the community on these issues, but also hold these corporations responsible for this.

Because these are issues and problems that only the Government and only really the corporations can deal with. Individuals or communities cannot deal with this kind of thing.

So it is really more of a partnership between wastewater management, between education and research, and then the corporations and the States really looking at this issue holistically.

Mr. PAPPAS. Well, I appreciate those comments, and I know that your counterparts in my district feel the same way. I think our States need additional Federal support to understand the problem, to test for it, and to ensure that contaminants like PFAS do not get out into the environment where they persist for decades and centuries.

That is why a bill that passed the House in the last session that I am really looking forward to reintroducing it this term; it is the Clean Water Standards for PFAS Act, and it would require EPA to review PFAS discharges under the Clean Water Act and issue regulations to address harmful discharges into our Nation's waterways and into the environment.

This is important because it would allow EPA to hold these corporations, to hold polluters accountable in ensuring that they are not just sending these harmful PFAS chemicals directly to publicly owned treatment works and passing along the burden to our local ratepayers.

Additionally, this bill would also authorize a grant program to assist these publicly owned treatment works to make sure that they can comply and that ultimately we are not just perpetuating this type of contamination.

So I really look forward to building some support in a bipartisan fashion for that legislation. I hope it can be taken up as part of re-

authorization, and I think this could really help a lot of our water treatment facilities around the country deal with this persistent issue.

Ms. COLEY. Congressman.

Mr. PAPPAS. Go ahead, Ms. Coley. I just have a few seconds left.

Ms. COLEY. I would just we say really need to work with the EPA as well, to really give them the robust resources they need to provide oversight.

Mr. PAPPAS. Absolutely.

I yield back my time, Madam Chair.

Mrs. NAPOLITANO. Thank you, Mr. Pappas. That is a good point you have made.

We turn now to Miss González-Colón. You may proceed.

Miss González-Colón? Are you on?

We will come back to her later.

Ms. Wilson, you are own. Frederica Wilson?

Ms. WILSON OF FLORIDA. I am on. Thank you, Chairman. Thank you.

Can you hear me?

Mrs. NAPOLITANO. Yes, ma'am. You may proceed.

Ms. WILSON OF FLORIDA. OK. Great. Thank you, Chairman Napolitano and Ranking Member Rouzer, for calling this very important hearing.

As the Representative of a district on the front lines of climate change, this is an all Miami-Dade economics fight, critical infrastructure needs. This hearing literally hits home.

The Federal Government's decreasing support over the past few decades has left our local communities in a dangerous and precarious position, which has disproportionately affected communities of color like mine.

After we recover from this coronavirus pandemic, we must support our local governments and invest in the Nation's wastewater infrastructure to increase much needed jobs, bring equitable change to ignored and underserved communities, and upgrade and fortify our systems to coexist within the inevitable impacts of climate change.

With Congress and the administration's focus on significant infrastructure investment, I am hopeful we can effectively address these challenges.

With that I have a few questions. Mr. David Mallino, legislative and political. I want to thank you for your testimony. You highlighted the tens of thousands of jobs infrastructure investments would create, including expanding the number of skilled workers among disadvantaged populations.

In your opinion, what should Congress do to ensure that disadvantaged populations get the training they need to fill these jobs?

Mr. MALLINO. There is no one easy answer for that. You know, our union, as well as many of the unions, well, all of the unions in the building construction trades, have apprenticeship programs and training programs, outreach to local communities.

But really it starts with creating the jobs. Without the investment into the job creation, there are no jobs to train for.

So it is a holistic approach. We can work with union groups, local groups to establish training programs, to bring people from the community into our apprenticeship programs, train them for the work, and then refer them out not just to the job as it is going on, but then they have a career pathway to go forward into other construction jobs once the water project or whatever they are working on ends.

Community workforce agreements—project labor agreements we also call them—can establish training and local hire numbers where we can fold in with the developer or the contractor targets to reach into the community and bring people from the community into the training programs and put those in those jobs.

So again, we have a lot of different sorts of—I refer to them as labor standards—a number of different programs designed to outreach and train local community partners.

Ms. WILSON OF FLORIDA. Thank you.

Yesterday we mourned the loss of half a million COVID lives, and Congress has to work to protect essential workers. Do you consider major infrastructure investments in the age of COVID and what else can we do to protect our frontline workers other than the vaccine and [interruption to audio]?

Mr. MALLINO. You broke up part of the way through there, Congresswoman. So I assume that is still directed to me.

You know, the construction industry can expand to bring in displaced workers into the industry, and with the overwhelming infrastructure need that there is, we are expandable, only limited by the lack of resources.

The construction economy has continued through COVID. We have seen some local and regional job displacements, but many projects have continued forward. We really think of ourselves as a way to solve the underemployment issues that are exacerbated by COVID.

And, again, it is resources. We can build out a workforce, but we need investment into the projects to create those jobs.

Ms. WILSON OF FLORIDA. Well, thank you so much.

Ms. Coley—

Mrs. NAPOLITANO. Ms. Wilson, your time is up.

Ms. WILSON OF FLORIDA. Oh, I yield back.

Mrs. NAPOLITANO. Thank you, ma'am.

We seem to be having a little bit of feedback on Mr. Mallino's and Ms. Wilson's line. Hopefully that will not happen on the next one.

Mr. Carbajal, you are next. Proceed.

Mr. CARBAJAL. Thank you, Madam Chair.

Mr. McFoy, thank you for participating today and coming here. We know that the climate crisis is here and has been negatively impacting our communities, particularly in terms of access to clean water.

We are seeing it in Texas now, and we have seen it in countless other disasters as well. Unfortunately, these disasters are becoming all too common.

I sponsored legislation, the Clean Water Infrastructure Resilience and Sustainability Act, last Congress to establish a grant pro-

gram within the EPA to ensure that our Nation's water infrastructure can withstand the threats posed by extreme weather events.

Can you talk about how additional resources from the Federal Government can help local communities provide access to clean water for their residents?

And would legislation like my legislation help in these efforts?

Mr. MCFOY. Thank you very much, Congressman.

While I have not fully read your legislation, I will do that. But any legislation that focuses in on funding of capital, which is what we need to more readily make our system as resilient as they can be, especially in the face of climate change.

That is one of the things that we are focusing in on here in Buffalo, as well as many of the other States. So with us being right here on the shores of Lake Erie, every piece of legislation that focuses in on developing climate resiliency plans, on developing hardened infrastructure that will allow us to make sure that we can stand up against these storms that are coming our way and more and more frequently; so anything like that we would definitely be in favor of.

Mr. CARBAJAL. Thank you, Mr. McFoy.

Mr. Mallino, I found your testimony very compelling as you discussed the challenge of maintaining access to water at an affordable rate while dealing with the unpredictability of extreme weather events.

As you discuss, we have a backlog of water infrastructure needs, and I know this question is similar to the one that was asked before, but you came across with a lot of feedback. So I am going to ask the essence of that question again.

Can you elaborate how this backlog is impacting disadvantaged communities?

And as infrastructure is, in essence, a jobs bill, how will investing in water infrastructure help create more jobs and how can we make sure these are good-paying jobs?

Mr. MALLINO. I am going to hope that my microphone problem is fixed. If not, I will have to log out and log back in.

Again, there are a suite of labor standards that help assure that these jobs created are high-rate jobs. We do not want to see Federal investment be used to drive down wages and labor standards.

Things like Davis-Bacon protections against community workforce or project labor agreements, local hire requirements can all be built into projects to help spread the benefits across a broad segment of the population.

And, again, this is an issue that can be solved by more investment. What we need first and foremost is more money into projects, a big infrastructure bill, across-the-board investments into roads, bridges, water systems, the grid, you name it. We can expand the workforce to fill that need.

Does that answer your question, Congressman? I am not sure I—

Mr. CARBAJAL. Thank you very much, Mr. Mallino. It certainly did. I appreciate you being here, and I appreciate your answer.

So thank you very much.

Madam Chair, I yield back.

Mrs. NAPOLITANO. Thank you, Mr. Carbajal.

And I will take the prerogative of the chair to recognize Mr. Rouzer for one more statement.

Mr. Rouzer.

Mr. ROUZER. Thank you, Madam Chair.

And I have a copy of a document here from the city of Pleasantville, and I ask unanimous consent to insert in the record on behalf of Representative Van Drew, who sits on the full committee, the "City of Pleasantville Sanitary Sewer System Evaluation," if you do not mind.

Mrs. NAPOLITANO. So ordered.

[The information follows:]

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**Report, "City of Pleasantville Sanitary Sewer System Evaluation," April 22, 2019, Prepared by CME Associates, Submitted for the Record by Hon. David Rouzer on behalf of Hon. Jefferson Van Drew**

[Editor's note: The introduction to the report follows. The 39-page report is retained in committee files in its entirety.]

1. INTRODUCTION

CME Associates has been contracted to evaluate and provide an assessment of the sanitary sewer system owned and maintained by the City of Pleasantville. In order to prepare an accurate evaluation of the system, a thorough understanding of the collection system and related appurtenances was required. In general, although the City has undergone some upgrades to the infrastructure, the overall system is aging and specific areas are in need of rehabilitation or replacement to prevent interruption of service due to potential pipe and infrastructure failure.

The City of Pleasantville owns, operates, and maintains its own sanitary sewerage collection system. The total population served by this system is approximately 20,250 people, which equates to approximately 4,650 users. The boundary of the collection system is generally defined by the municipal limits of the City. A sanitary sewer infrastructure map of the system is enclosed and provided as Figure 2 of this report. In general, the system consists of gravity sewer mains, laterals, manholes, pump stations, and force mains. Sewage flows from individual properties through lateral pipes into the mainline pipes, through pump stations, force mains, and finally to large diameter trunkline sewer pipes, that discharge to the Atlantic County Utilities Authority (ACUA) pump station located along Old Turnpike. Wastewater is then ultimately pumped to the ACUA Wastewater Treatment Plant located in Atlantic City.

The City's collection system contains approximately 57 miles of gravity sanitary sewer, as well as more than 2 miles of force mains. The collection system is comprised of asbestos cement, vitrified clay, cast iron, and polyvinyl chloride pipes, primarily ranging in size from 8 inches to 12 inches in diameter. The largest sewer pipes in the collection system are 42 inch diameter, whereas the largest force main is a 20 inch force main transmitting wastewater from Northfield towards the ACUA treatment plant.

Wastewater flows via gravity through the Pleasantville collection system until the depth of the gravity sewer mains were cost prohibitive and pump stations were installed to lift and transmit the sewage via force main to higher gravity mains. Currently, the City owns and maintains twelve pump stations which are located at various low lying areas throughout the City.

The intent of this report is to perform a limited evaluation and inventory assessment of the referenced sanitary sewer collection system, as well as the pumping stations. The inventory assessment will quantify the age, size, and composition of the collection system, as well as include details associated with each of the pump stations. The evaluation will include recommendations concerning improvements to the sanitary sewer collection system, and its pump stations, as well as quantify approximate costs of same.

Mr. ROUZER. Thank you much.

I have a quick followup, if I can, for Mayor Berger and also Mr. McFoy if he has any thoughts on this.

But I wanted to get your thoughts on changes to permitting. What benefits would local communities have with changing the current Clean Water Act law to allow cities to have a 10-year, for example, rather than a 5-year treatment works permit?

I just wanted to get your thoughts on that and drill down a little bit.

Mr. BERGER. Well, thank you, Congressman.

I guess I have two reactions to that. One is the fact that a 10-year permit would give more predictability to a community. I think it would be really important for the long-range planning for a local system.

I also think that there are real economies that result and savings that result for permits that are 10 years in length rather than a local team having to gear up every 5 years in order to negotiate, and that team can be multiple outside attorneys, multiple outside engineering firms, along with the internal staff.

That marshalling of human resources to deal with a 5-year permit cycle is expensive.

So, again, I think that the two benefits are savings that would result from that expense, but also the predictability of a 10-year permit allows, particularly for the kinds of improvements that are required by consent decrees and other orders. A 10-year permit lines up much more for achieving that long-term set of objectives.

Mr. ROUZER. Mr. McFoy, do you have any opinion based on your experience?

Mr. McFOY. Congressman, I would love to simply piggyback on what Mayor Berger has said.

The stability that a long-term permit provides is wonderful. It allows us really to plan out our capital investment, to reduce those human resources that we do every time it is time for permit review, and it really allows us to right our ship in the direction that needs to happen for everything that we must do as utilities.

Mr. ROUZER. Thank you.

Madam Chair, I yield back.

Mrs. NAPOLITANO. Well, thank you.

Mr. ROUZER. Thank you, again.

Mrs. NAPOLITANO. Thank you very much.

Madam Norton, Representative Norton.

Ms. NORTON. Thank you.

I hope you can hear me.

Mrs. NAPOLITANO. Yes, we can.

Ms. NORTON. Thank you very much.

I want to thank you for this hearing on America's wastewater infrastructure because it occurs to me that we can deal with some of this even during a pandemic because of the distancing that construction usually involves.

I want to begin with Mr. Teske because he emphasizes the need to "Buy America." You would think we would need that, particularly at a time of job loss here.

So what do you see as the biggest benefit of including "Buy America" provisions in our infrastructure projects, Mr. Teske?

Mr. TESKE. Well, I think the biggest benefit is the increase of manufacturing jobs here in the U.S. I think we need to refocus on manufacturing jobs.

You know, for years we promoted the service economy. I think that a return to manufacturing jobs is also a return to better paying jobs.

And if I could just respond to one thing. I think education is necessary, in response to a question earlier. I think as a group it would be good to include funds to increase people's knowledge of the need for clean water.

And one thing, too, unfunded mandates——

Ms. NORTON. Thank you very much, but I have not got a lot of time.

Mr. TESKE. OK.

Ms. NORTON. So I need to go on.

Mr. TESKE. Sorry. I apologize.

Ms. NORTON. Mr. Mallino of LIUNA, I was intrigued by your testimony because of the loss of jobs we have had in the United States during a pandemic.

And I know that there are estimates that \$1 billion could be invested. At least your testimony was that for every \$1 billion invested, 20,000 jobs in communities are created.

So I would like you to elaborate on that at a time of job loss and can't this be done with distancing among workers?

Mr. MALLINO. Congresswoman, I understand my technology might be failing. So I apologize.

Yes, those estimates, the chairman corrected me. His estimates are 28,000 jobs per \$1 billion. I have seen between 23,000 and 28,000, so I just try to err on the side of safety.

We have had challenges in the construction industry, but a lot of the construction that the laborers do is done outside. When you have a union and a collective bargaining agreement that has safety and health experience and protocols that we have all worked on, we have worked on providing our members, well, the contractors, providing our members with handwashing stations and personal protective equipment.

When possible we socially distance. We cannot always do that on a construction project, but we believe that creating the correct safety and health protocols can clearly be done in the time of the pandemic, and we have been rather pleased that our industry has been able to continue to work through the pandemic with these safety and health protocols.

Ms. NORTON. Yes, that is why your industry is so important for our economy.

Mr. Berger of the United States Conference of Mayors, climate change is one of my great priority issues. So I would like to know what effect do you think climate change has had on the infrastructure?

Do you think we need to build more resiliency into the system because of climate change?

Mr. BERGER. Congresswoman, yes. The short answer is absolutely. Climate change represents an enormous challenge.

I can just speak for my community. When we modeled for our consent decree and we based our planning on a \$150 million investment over the next 27 years, that was done with the expectation that we were going to be able to have a certain number of 100-year

and 500-year storms, and the capacity of our system would be X amount of gallons of material.

Well, in the year following the consent decree, we had three of those storms, 100-year storms. Well, when you do long-range planning for infrastructure and it changes on you that quickly, it means you have either underspent or you have to redesign.

So I think climate change represents enormous problems for communities for that reason. The unpredictability is enormous.

Ms. NORTON. Thank you for that testimony.

And, Madam Chair, that testimony concerning climate change should be of utmost importance to our own subcommittee, and I very much thank you for allowing me the time to get answers to my questions.

Mrs. NAPOLITANO. Thank you, Ms. Norton. You make quite a point. I agree with you.

Next we have Mr. Stanton.

Mr. Stanton, you are on the line.

Mr. STANTON. Thank you so much, Madam Chair.

Before I begin my comments, let me just say to my friend, Mayor Berger, who I served with in the U.S. Conference of Mayors, congratulations on 32 years of service. The citizens of Lima have been well served.

Mayor Berger taught the rest of the mayors around the country more about wastewater than any other source during my time, and so, Mayor Berger, congratulations, and if you do get bored in retirement, you can always run for Congress.

Mr. BERGER. Thank you.

[Laughter.]

Mr. STANTON. As a new member of this subcommittee, I appreciate our immediate focus on renewing the Federal commitment to this vital infrastructure that supports our urban and rural communities and Tribal nations, and that is wastewater infrastructure investment.

The Southwest is rapidly changing and growing, and Arizona is no exception. We are the fastest growing State in the country. Since 1970, Arizona's population has ballooned from 1.8 million residents now to over 7.5 million people, a 315-percent increase, 115,000 new Arizonans per year, 300 per day.

In 2019, Arizona ranked third in population, a growth of many of our communities growing faster and faster than the national average.

To sustainably welcome and provide for the millions of people who will call our region and our great State home in the years to come, we must invest in our infrastructure and secure our water future.

Last year, the Arizona section of the American Society of Civil Engineers released its 2020 infrastructure report card, which reflected the condition of our infrastructure across Arizona. We received a C-minus for drinking water and wastewater.

This requires immediate attention. In fact, over the next 5 years, we will have a shortfall of almost \$1.5 billion in wastewater alone in the State of Arizona.

As the former mayor of Phoenix, I know firsthand that local leaders must be innovative when it comes to addressing our aging in-

infrastructure and planning for our water future, and frankly, we cannot afford the alternative.

We know the future of our residents and of our economy depends on how well we anticipate, plan, and respond to our water-related challenges. Investing and supporting our State's water growth goes hand in hand with taking care of our most precious resource.

We have to make sure that Federal dollars flow to areas throughout the State of Arizona, like those provided through the Clean Water State Revolving Fund, so that we can continue addressing these needs in our communities across the State, whether rural, Tribal, or urban.

I have questions for Mr. Mallino of LIUNA and OJ McFoy.

Mr. McFoy, in the interest of providing the Federal investment necessary to meet these infrastructure needs, we also must make sure that we have a trained workforce necessary to operate these facilities today and well into the future.

The GAO projects that 30 to 50 percent of the municipal water workforce will be retiring just in the next decade, taking with them decades of experience and knowledge. As we witnessed through the pandemic, the women and men working in municipal drinking water, wastewater, and stormwater are essential workers who provide public health and provide community economic stability.

Last Congress I proposed language that was included as part of the reauthorization of the Clean Water SRF to allow States to reserve up to 1 percent of the funds they are allocated each fiscal year for workforce development and training.

This could equal tens of millions of dollars a year for local water workforce development efforts.

Mr. Mallino and Mr. McFoy, can you talk about how dedicated funding like this assistance would be helpful in addressing workforce needs and how it might benefit small and rural communities, in particular?

Mr. McFOY. Congressman Stanton, I would like to say thank you. There are many Buffalonians that now call themselves Arizonans.

But when we look at the workforce end of this, that is a critical piece that we need in our utilities. As you had mentioned, our workforce has completely changed over the years, and when you look at the report "Renewing the Water Workforce" that was done in recent years, it focuses in on how that workforce is going to look going forward.

Our workforce needs to reflect the communities in which we come from. We really are focusing in here on the water side in Buffalo on equity. We really need our workforce to better reflect our communities and also to make sure that they receive all of the training and development needs that they have to get these good-paying jobs that we are here to offer going forward.

Mr. STANTON. That is great.

And then how about Mr. Mallino representing our friends at LIUNA?

Mr. MALLINO. Well, Congressman, first and foremost, the laborers have and have for generations had a very mature training program. Our members do not pay for their training. The training is provided through joint labor-management committees, through con-

tributions that go into our training programs as a result of the hours worked by every member.

That money is pooled, and the training is, again, provided to our members free of charge, and that can go for basic skills, skills upgrades, and continued professional development into our sector.

As a rule of thumb, we would prefer to not see a lot of Federal money be thrown out to the nonunion, low-road construction contracting community who are not making those investments that our contractors do.

Again, I understand that there is need out there, and not every community is the same, but we would prefer to see resources go into actual projects that create the jobs that create the demand that allows us to train for those.

Mr. STANTON. Thank you so much; I yield back.

Mrs. NAPOLITANO. Mr. Stanton, thank you. Thank you, Mr. Stanton.

I would like to go to Mr. Garamendi next.

Mr. Garamendi, you may proceed.

Mr. GARAMENDI. Thank you, Madam Chair.

I appreciate this hearing. It is an extremely important hearing, and one of the advantages of being last is I have learned a lot about issues.

I am going to really limit my questions. The EPA Clean Water State Revolving Fund, the WIFIA Fund, the Drinking Water State Revolving Fund, all of these programs require that American steel and iron be used, but there is a lot more that goes into projects than just steel and iron. Mr. Teske spoke to the issue of the other things.

So what I am really looking at here is whether we should or should not include in any legislation, Tammy Baldwin's and my legislation from last year, that would require "Buy America" provisions be written into the programs that we are discussing today, the Clean Water State Revolving Fund specifically, and then also WIFIA, as well as the Safe Drinking Water State Revolving Fund.

So my question goes to, first of all Mr. Teske. Thank you so very much for your testimony where you spoke directly to this.

Why do you not take another 30, 40 seconds and hit this theme one more time?

Mr. TESKE. Thank you, sir.

Yes, I think it is very important that all of the products that are used be made in America. These are major capital expenditures that all of these facilities need, and it is best if they are made in the USA. They employ U.S. workers, and they have a ripple effect throughout the economy and throughout the supply chain where the products are made.

So thank you.

Mr. GARAMENDI. I really appreciate your testimony where you spoke to the capital investment that your company has made in anticipation of "Buy America" provisions in the upcoming legislation.

I know, Mr. Mallino, you are well on this. We have worked with you last year on these issues—not just last year, but the last decade—and we continue to work on these issues.

So I am going to move to a different subject here in my remaining 2 minutes.

Mr. Rouzer raised this issue in his last question, and that is what are we going to do about the discharge requirements. The national pollution discharge elimination systems, the NPDES requirement is presently 5 years. By the time an agency knows that it has a problem, figures out what to do about it, deals with all of the litigation, 5 years is gone.

And so the move to a 10-year period of time is, in my view, very, very important, and that is why last year we introduced a bipartisan piece of legislation, H.R. 1764.

I just had a discussion with Mr. Rouzer about this. Perhaps we will reintroduce that bill, taking advantage of his ranking membership on this committee, and get the job done this year.

With that I have covered most of my issues that were covered by other Members, and I am going to yield back my remaining 1 minute and 40 seconds in just a second as I drive home once again the need for make it in America, "Buy America" legislation.

It does us little good to spend billions and billions of dollars and then see that money go offshore to manufacturing facilities in China or other places around the world, where American dollars, American taxpayer dollars are being used to support other economies and not our own.

So with that, Madam Chair, thank you so very much for an extraordinarily important hearing. I look forward to working with you and the other members of the committee to make all of this happen so that we can have a Build Back Better legislation that includes clean water.

Thank you so very much.

Mrs. NAPOLITANO. Thank you, Mr. Garamendi. You make some great points, and you know I support your "Buy America" totally.

Miss González-Colón, you may proceed.

Miss GONZÁLEZ-COLÓN. Thank you, Madam Chairwoman. I am happy to be here, and thank you for putting me in this hearing.

I think it is an important matter, and in the case of Puerto Rico, actually we've got hurricanes, and the issue of the safety and the future of economic recovery of our communities was impacted as well as the foundation of public health, and actually that is wastewater.

And there is no community that can grow without managing wastewater, and that infrastructure is one of the critical services as defined by the Stafford Act, and that is the reason during the last Congress we actually submitted a bill to manage those definitions.

I think that it should be a priority in any kind of disaster recovery.

In the case of Puerto Rico, and just to share with the panelists here, our main water utility, PRASA, in the aftermath of the disasters, the wastewater suffered more than \$600 million in immediate damage under FEMA emergency categories.

An additional \$3.7 billion allocation for all water and wastewater operations has been announced by FEMA early this year, and as we can see the legislation on water infrastructure, the securing of proper priorities of funding of the wastewater sector, especially for

those economically disadvantaged areas, needs the attention of this committee.

And especially any proposal must consider those communities that may not have the cash or the resources to match grants, either financially or in kind, and provide the means for these communities to be able to benefit from any infrastructure to rebuild initiative. And we can attest to that.

In our disaster relief bills in the past two Congresses, we included provisions to allow what Mr. Garamendi just said, Build Back Better process. This must be part of any program, since by building to improve the standards, we can have an infrastructure that is more resilient and that can handle emerging situations better.

So I look forward to having hearings with EPA, the Corps of Engineers, and other agencies that oversee this important infrastructure.

So having said that, having the panel here, I think I have got a question to Mayor Berger.

First, what are the greatest challenges in terms of those matching funds?

You suggest in your testimony increasing the current total funding commitments. Do you find that the commitments have failed to keep up with the real cost increases?

In your suggestion for funding for Army Corps authority for water and wastewater works, does the organization have a suggestion to the types of infrastructure that should be a priority to have in their attention?

Mr. BERGER. Well, every community is facing different challenges. For us it was a combined sewer system and sanitary sewer.

Communities in California, for example, are facing enormous TMDL requirements, stormwater related.

I mean there truly is a massive set of expectations and demands, and geology; the rivers, the streams, the lakes that make up a place all have differing requirements for protection.

So I do think the resources need to be at a scale that matters, and then there has to be flexibility to be able to address the unique needs that every community has because of the environment that it occupies.

Miss GONZÁLEZ-COLÓN. A question to you and to Mr. McFoy. Do you both consider that stormwater management should be included along with wastewater under the definition of critical infrastructure for the Stafford Act purposes after disasters?

Mr. McFOY. Yes.

Mayor Berger?

Mr. BERGER. Go ahead.

Mr. McFOY. Just an emphatic yes. It is critical. That is the situation here in Buffalo. It is our stormwater challenge in dealing with that, and that is we count that as critical infrastructure.

Miss GONZÁLEZ-COLÓN. Thank you.

Mr. BERGER. The other thing that I would add is that integrated planning as it has currently been codified only deals with wastewater and stormwater. It does not yet include drinking water issues.

And I think that one change that the Congress should also be teeing up is the opportunity to actually break down the silos for communities so they can create integrated planning for all their water-related needs.

They can then establish priorities, and with those priorities, long-range plans for being able to ultimately afford those over time.

Miss GONZÁLEZ-COLÓN. Thank you.

I yield back, Madam Chair.

Mrs. NAPOLITANO. Thank you, Miss González-Colón.

I understand that Mr. Katko has arrived. We will proceed to let him speak.

Mr. Katko, you may proceed.

Mr. KATKO. Thank you, Chairwoman Napolitano. It is good to see you again, my friend.

I literally just got back in the office, and I wanted to be able to have an opportunity to speak on this important issue.

The community that I represent in central New York, Syracuse and the central New York area, understands the importance of clean water infrastructure all too well. Whether our community is working to replace aging pipes in Syracuse or responding to harmful algae blooms on Owasco Lake or the other tributaries, the need for further investment is clear.

Here's why Federal support is essential to help State and local governments finance essential drinking water and wastewater projects: Ensuring the affordability of clean water for all of our communities is critical in supporting innovative research that will expand the availability of modernized water infrastructure systems.

I look forward to working towards these goals with my colleagues on this subcommittee and to discussing these efforts with today's witnesses.

I have got a question for Mr. McFoy. In your testimony you touch upon the importance of employing innovative clean water technologies. Last year the House passed as part of the Moving Forward Act a program that this committee supported to help clean water agencies adopt innovative technology solutions to address water treatment improvements.

Do you support an innovative technology adoption program that help modernize our Nation's water infrastructure to address water quality needs and to help bridge a funding gap?

Mr. MCFOY. Congressman Katko, absolutely. We know just being on the Route 90 from each other. Cost effective, innovative technologies are truly key to how we are going to bridge the gap not only in funding, but in the efforts that we have to do in respect to climate change.

So we are a big supporter of that, and in fact, here in Buffalo, we have been able to focus in on our smart sewers, which have saved us to date, as far as our plan is concerned, over \$145 million, and that is by utilizing artificial intelligence and simply sensors to make sure that we can manage our stormwater challenge most effectively.

Mr. KATKO. Well, look. I appreciate that. I was going to ask you about some of the technologies.

Are there any other technologies that you are employing other than what you just mentioned in the Buffalo area?

Mr. McFOY. Yes, sir. Everything that we can get our hands on, that is what we are trying. From our treatment facility, you know, where we are working on our DL probes and establishing things that will allow us to better manage our energy concerns to out in our collection systems, we are always focused in on that innovative, cost effective technology.

Mr. KATKO. So what policies and resources can we in the Federal Government provide to become a more engaged partner in advancing the use of this technology and increasing the potential long-term cost savings in utilities?

Mr. McFOY. One of the major things that the Federal Government can definitely provide is really having allocations that are focused in on new technologies and smart water, and I know that that has been out there, and that has been kind of pushed through.

But in advanced research projects as well, those are very critical to how we are going to accomplish the next 21st-century utility.

Mr. KATKO. OK. Very well. I thank you very much.

Listen. I went to college right up the road at Niagara University. So I know Buffalo well, and it is good to see the renaissance it is undergoing, and the renaissance will be complete when the Bills win the Super Bowl.

Mr. McFOY. Absolutely, sir, absolutely.

Mr. KATKO. I yield back, Madam Chair.

Mrs. NAPOLITANO. Thank you, Mr. Katko. I appreciate your coming on.

I tell you that there are many facets to water. From climate change to training, manufacturing, "Buy America", education; the list goes on.

We must ensure as the money goes to the States that the States use it for the intended purpose, number one.

And I certainly want to thank all of the witnesses. You were fabulous, and most of you on time, not really bad, and thank you very much for being with us.

You may have given us food for thought with your insights. Thank you very much for all of your testimony.

I ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing.

And I ask unanimous consent that the record remain open for 15 days for any additional comments and information submitted by Members or witnesses to be included in the record of today's hearing.

Without objection, so ordered.

I would like to thank our witnesses again very much. You have been great, the witnesses, and I thank you very much.

If no other Members have anything to add, the committee stands adjourned.

[Whereupon, at 1:17 p.m., the subcommittee was adjourned.]



## SUBMISSIONS FOR THE RECORD

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### **Prepared Statement of Hon. Sam Graves, a Representative in Congress from the State of Missouri, and Ranking Member, Committee on Transportation and Infrastructure**

Thank you, Chair Napolitano, for holding this important hearing.

Since this is our first hearing for the Subcommittee I want to congratulate and recognize our new Ranking Member—David Rouzer from North Carolina.

This Subcommittee is known for getting bipartisan legislation not just passed, but signed in to law every Congress.

I know the Ranking Member is up to the task and I look forward to working with him along with the Full Committee and Subcommittee Chairs to get things done to improve our water infrastructure in this country.

As for our hearing topic today, clean and reliable water and wastewater infrastructure is essential to protecting the public health, growing local economies, and conserving the environment.

However, our water infrastructure is aging and in need of repair.

In Missouri alone, the total documented needs are over 9 billion dollars.

Communities across my district from St. Joseph to Hannibal, Missouri face many wastewater infrastructure issues.

I am acutely aware of the stress placed on local governments, especially those serving rural communities, to meet the water needs of their constituents.

And they have to do so in a responsible and reasonable way that doesn't financially cripple the people they serve.

If we want our communities to thrive, especially our rural communities, then we must address this critical part of our infrastructure in a timely and cost-effective manner.

There is a Federal role in water infrastructure, and this Committee has supported and passed legislation demonstrating our bipartisan commitment to this issue.

At the same time, the Federal government must avoid placing unfunded mandates and burdensome regulations that drive up the costs for communities to provide clean water to their constituents.

I'm confident we can continue to work together on these important issues.

I look forward to hearing some of the challenges and solutions our witnesses have in improving our water infrastructure.

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### **Prepared Statement of Hon. Eddie Bernice Johnson, a Representative in Congress from the State of Texas**

I would like to thank Chairwoman Napolitano and my fellow colleagues on the House Transportation and Infrastructure Committee for their diligent work to address the urgent need for immediate investment in our wastewater infrastructure. Everyone in the U.S. is impacted by the need for wastewater improvements and clean water.

The Dallas area falls within the Southwestern Division of the Army Corps of Engineers. Flooding and flood control continue to be issues that are ever-present on the minds of residents along the Trinity River. I have held several meetings on flooding in the Dallas area to address this issue and hope to continue to work with the Corp to combat flooding in Dallas as well as making our wastewater systems more resilient.

Our recent weather in Texas has highlighted the immediate need for municipal water and sewer infrastructure investments and weatherization. We must not allow the mistakes of the past to continue to impact us in the future.

Within my district, The City of Dallas is appreciative to the U.S. Army Corps of Engineers (Corps) for their funding of the Dallas Floodway, Dallas Floodway Extension flood risk management projects and Lewisville Dam repairs and their continued efforts to complete these projects quickly. The projects addressing pump stations and levy heights in Dallas, along with bridge projects in Ft. Worth would not be where they are today without the work of the Corps and our commitment to our residents in Dallas.

Madam Chair, the Clean Water State Revolving Fund (SRF) has not been reauthorized since 1987. This is the primary source for federal funding for domestic wastewater and storm water infrastructure. The Dallas-Fort Worth metroplex is growing at a quite rapid pace and this updated legislation will help to provide adequate water and wastewater infrastructure to meet the demands, given the rapid pace of growth and development in our area.

Furthermore, updating the SRF will help in addressing maintenance needs, replacing aging infrastructure, and help in accounting for human behavior in all aspects of our water system—from sewer overflows, to promoting water conservation through drought tolerant outdoor landscaping, and making our wastewater systems more resilient.

Madam Chair, I will continue to work to address the many water needs of the residents of the City of Dallas and the U.S. Every American is impacted by the need for clean water and our investments in wastewater infrastructure.

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**Letter of February 24, 2021, from Adam D. Link, Executive Director, California Association of Sanitation Agencies, Submitted for the Record by Hon. Grace F. Napolitano**

CALIFORNIA ASSOCIATION OF SANITATION AGENCIES,  
1225 8TH STREET, SUITE 595,  
Sacramento, CA 95814, February 24, 2021.

Hon. GRACE F. NAPOLITANO,  
*Chairwoman,*

*Subcommittee on Water Resources and Environment, Committee on Transportation and Infrastructure, U.S. House of Representatives Washington, DC.*

DEAR CHAIRWOMAN NAPOLITANO:

On behalf of the California Association of Sanitation Agencies (CASA), I write in support of the Subcommittee on Water Resources and Environment's ongoing efforts to address the vital need for clean water infrastructure investments. CASA supports the draft proposal entitled Water Quality Protection and Job Creation Act of 2021 and requests that this letter be included in the formal record of the subcommittee hearing held February 23, 2021.

CASA represents more than 125 local public agencies engaged in the collection, treatment and recycling of wastewater to protect public health and the environment. Our mission is to provide trusted information and advocacy on behalf of California clean water agencies, and to be a leader in sustainability and utilization of renewable resources. We believe the draft's provisions to address the well documented funding needs of our nation's wastewater infrastructure depend upon a robust federal partnership with local clean water agencies. CASA is encouraged that the subcommittee is building upon the progress of last Congress's efforts embodied by the Moving Forward Act (H.R. 2). As this legislation progresses, we also encourage the subcommittee to include specific funding for disadvantaged communities, innovative monitoring and treatment technologies that could reduce treatment costs, and alternative financing tools to help stretch limited resources.

The reality of our clean water infrastructure being systematically underfunded is not new. In the 2012 Clean Water Needs Survey, the U.S. Environmental Protection Agency (USEPA) estimated that \$271 billion is required to support the nation's wastewater infrastructure. This estimation is now a decade old and does not account for the severe economic impacts on state and local governments and individual utilities as a result of the pandemic. As we grapple with the pandemic and the importance of safe and reliable water supplies, the need to redouble our commitment to improving water quality and modernizing the nation's clean water infrastructure could not be clearer. We appreciate the opportunity to provide our comments to the subcommittee on the discussion draft.

## SECTION 3. WATERSHED PILOT PROJECTS

CASA supports the authorization of \$200,000,000 for each of the fiscal years 2022–2026 to support watershed pilot projects. This investment will help support healthier watersheds by funding innovative approaches to address water quality impairments. Watershed protection efforts that address impacts originating within a watershed are a vital approach to achieving significant water quality improvements. The use of integrated partnerships between municipalities and property owners, establishing best practices for stormwater and wastewater management, and enhancing resiliency of treatment works facilities can deliver improvements through a watershed approach, and the funding provided in this section will help to advance such programs.

## SECTION 4. PILOT PROGRAM FOR ALTERNATIVE WATER SOURCE PROJECTS

We strongly support the authorization of \$1,000,000,000 to support alternative water source projects. CASA is pleased that the draft includes “wastewater, or stormwater or by treating wastewater or stormwater” in the definition of alternative water source projects. In California, and across the West, the security of our water supplies is constantly in flux due to extreme weather events as a result of climate change, such as drought, wildfires, and reduced snowpack. The need to think innovatively to identify alternative water sources that can help enhance the resiliency of our water supplies during extreme weather events is critical. Section 4 of this draft recognizes this and makes the necessary federal investment to help states create resilient water supply portfolios.

## SECTION 6. GRANTS FOR THE TREATMENT OF EMERGING CONTAMINANTS

CASA strongly supports the draft’s federal investment to help owners and operators of publicly owned treatment works implement future pretreatment standards for perfluoroalkyl or polyfluoroalkyl substance (PFAS) and other emerging contaminants of concern. Any effort to rely upon the wastewater treatment process to monitor and treat for PFAS contamination puts additional financial burden on already financially stressed utilities. CASA recommends the authorization of federal assistance to support clean water agencies implement new measures that might be mandated. CASA notes that the presence of such “forever” chemicals are a function of industrial production and public agencies are simply receivers of these wastewater discharges. We should not ask our ratepayers to pay the costs of such treatment and monitoring when the source of the discharge is known and can be addressed similar to other pollution reduction management programs.

## SECTION 7. STATE WATER POLLUTION CONTROL REVOLVING FUNDS

CASA strongly supports the authorization of \$40 billion over five years for the Clean Water State Revolving Loan Fund (CWSRF). The authorization addresses two important matters.

First, it would establish certainty that federal government will maintain a strong partnership with states local agencies for years to come. According to the American Society of Civil Engineers’ 2019 infrastructure report card, California’s clean water agencies have more than \$26 billion in needs over the next two decades. This type of sustained commitment to the Clean Water SRF program, which serves as the backbone of clean water infrastructure financing in our state, is essential. Second, it reaffirms that the nation needs to address the documented funding gap that will only continue to grow as climate impacts such as sea level rise, flooding, drought and population migrations take a toll on our clean water infrastructure.

While increased funding is vital to assist in our longterm response to improve public health and the environment, we also believe the mechanism to allocate funding to states needs to be addressed. CASA recognizes that this can be the third rail of clean water funding. However, the challenges that our agencies confront have changed dramatically since 1987 when the CWSRF allocation formula was last updated. USEPA conducted a study on the allocation formula and found that the existing approach is fundamentally failing to deliver equitable assistance to states based upon needs and other factors. In order for the CWSRF to meet the needs of the nation’s clean water infrastructure, the allocation formula must be updated to reflect current and future population and treatment demands.

## SECTION 8. INDIAN TRIBES

CASA supports the draft’s provisions of the clean water needs of tribal communities. The priority to address communities that lack adequate and reliable water

quality infrastructure is vividly illustrated by such communities. A dedicated \$2.5 billion in wastewater infrastructure assistance to tribal communities is vital to improving the health and economic conditions of some of the most disadvantaged regions of the nation.

Again, thank you for your continued attention to the needs of the nation's clean water infrastructure and the desire to provide strong federal investment to address the challenges facing our systems and create new systems capable of meeting the environmental and public health protections of the future. If CASA can be a resource for you or the subcommittee in the future, please do not hesitate to contact me.

Sincerely,

ADAM D. LINK,  
*Executive Director.*

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