

**BUILDING ON THE IJA'S SUCCESSES: IDENTIFYING
OPPORTUNITIES TO STRENGTHEN WATER
INFRASTRUCTURE PROGRAMS**

HEARING

BEFORE THE

**COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS**

**UNITED STATES SENATE
ONE HUNDRED NINETEENTH CONGRESS
FIRST SESSION**

April 30, 2025

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COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

ONE HUNDRED NINETEENTH CONGRESS

FIRST SESSION

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BUILDING ON THE IIJA'S SUCCESSES: IDENTIFYING OPPORTUNITIES TO STRENGTHEN WATER INFRASTRUCTURE PROGRAMS

WEDNESDAY, APRIL 30, 2025

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The committee met, pursuant to notice, at 10:02 a.m. in room 562, Dirksen Senate Office Building, Hon. Shelley Moore Capito (chairman of the committee) presiding.

Present: Senators Capito, Sullivan, Ricketts, Boozman, Husted, Padilla, Schiff, Blunt Rochester, Alsobrooks.

OPENING STATEMENT OF HON. SHELLEY MOORE CAPITO, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator CAPITO. Good morning, everybody. We are in our new temporary hearing room for several months, maybe as much as a year, while they remodel our hearing room. I think most of us would admit who have to walk behind the dais of our regular hearing room, it needs some readjustments. We are trying to get back to the way it was historically. We will be meeting here, and actually, this is a little bit larger than ours, so it is quite nice.

I want to thank everybody for being here. I think Senator Whitehouse is unable to come today. I know he is very interested in this topic, but he is not going to be here. Senator Schiff is going to kind of run the show for his side, and we will be in and out. I do not want the witnesses to take any offense that people are in and out. There is lots going on today in various committees.

I will give my opening statement, then Senator Boozman is going to take the gavel while I run out and over to Commerce. I am sure you have other meetings as well, too; everybody does.

Welcome to the witnesses. Welcome to today's hearing to examine the policies to strengthen our Nation's water infrastructure. Again, I want to thank the witnesses for joining us, and the important work that you do every single day to deliver safe, reliable water and sanitation services in your various communities.

This is our first hearing to discuss how we can build on the successes of the Infrastructure Investment and Jobs Act (IIJA), the IIJA, the water infrastructure provisions, as we prepare bipartisan legislation to reauthorize those programs. In November 2021, Congress passed the IIJA, which included the Drinking Water and Wastewater Infrastructure Act, a bipartisan bill that was devel-

oped, negotiated, and championed by this committee. It is one of the bases of the IIJA.

That legislation represented the largest Federal investment in water infrastructure in our Nation's history, delivering more than \$50 billion for drinking water, wastewater, and stormwater programs. Since then, thousands of projects have started, including projects to upgrade treatment plants, replace aging systems and support the needs of our small communities. In short, this law is moving our Nation's water infrastructure systems forward.

Despite this progress, the historic investment of the IIJA expires next year. We must get to work now to build on that progress, while addressing any concerns with its implementation.

As we work together to reauthorize the IIJA water programs, I will prioritize policies that strengthen underserved communities' abilities to deliver water projects, reinforce the cooperative federalism principle embedded in our laws, and focus our outcomes on outcomes that prioritize safe water and sound infrastructure.

I can say anecdotally in my small State of West Virginia there are still pockets of our communities that do not have the access to clean water or drinking water that they should, and deserve to have. Achieving those goals requires us to take a clear-eyed look at the challenges communities face and ensure the tools we are provided are as effective and as accessible as possible.

First, we must seek to simplify the delivery mechanisms for water infrastructure funding. This is a repeating theme in just about everything that we have been looking at. Many small and underserved communities continue to face barriers to access to Federal money.

Communities may struggle with capacity, technical complexities and long Federal timelines of dispersing the funding. This can lead to communities giving up before they even get a shovel in the ground.

We can fix these issues by providing targeted technical resources and assistance to help utilities and local governments navigate complex funding applications and simplifying the Environmental Protection Agency's processes.

Second, our reauthorization should reinforce what works, including honoring the foundational principle of cooperative federalism. For decades, the Clean Water Act and Safe Drinking Water Act have recognized that States, not Washington, are best positioned to understand the infrastructure needs of our communities. Federal funding and oversight are important, but implementation must be led by the States.

The Biden Environmental Protection Agency, EPA, shifted away from that balance that Congress intended between Federal support and State leadership by pushing one-size-fits-all mandates and layering on new criteria that go far beyond what Congress has authorized.

We have also seen the increased emphasis on environmental justice initiatives. While the goal of supporting all underserved communities regardless of background is broadly supported, implementation of these environmental justice initiatives has at times departed from the statute's original direction and strayed from that broader goal.

Directing resources to underserved communities was a shared goal when we wrote the IIJA and the commitment remains. We did not write a law that allows agencies to introduce new eligibility standards or funding formulas that may unintentionally overlook real infrastructure needs or second guess shared priorities and State priorities. That approach is not only counterproductive; it risks leaving behind the very communities that these programs were designed to help.

Across the Country, many low-income and underserved communities continue to grapple with major water infrastructure needs, yet rigid eligibility requirements in recent funding programs have left some of them behind. That runs counter to the bipartisan goals that we set when this law was written, to ensure all communities have a fair opportunity to benefit from these important programs. That is why we dedicated funds for systems of different sizes, and why we provided State Revolving Funds the flexibility for each State to meet their individual needs.

This committee worked in a bipartisan way to craft these programs, and going forward, implementation must remain true to the intent, not drift into interpretations that complicate access or confuse applicants.

My third guiding principle is that a successful bill and implementation of EPA water programs must be focused on outcomes. Enacting policies that are not consistently driven by successful outcomes will help ensure that every American, no matter where they live, can count on the basic services that they deserve. That is what the committee has always focused on and it is what I will continue to prioritize as the Chair.

I look forward to hearing from our witnesses, and to kick up our work to reauthorize and improve our Nation's water infrastructure programs.

I will now recognize Senator Schiff, the Ranking Member of the Fisheries, Water, and Wildlife Subcommittee, and as I have said earlier, he will give an opening statement in lieu of Ranking Member Whitehouse's absence.

Senator Schiff, you are recognized. Thank you.

**OPENING STATEMENT OF HON. ADAM SCHIFF,
U.S. SENATOR FROM THE STATE OF CALIFORNIA**

Senator SCHIFF. Thank you, Chair Capito, for your focus on improving community water infrastructure and for your hard work on the water provisions in the Bipartisan Infrastructure Law that we are talking about today.

I want to thank the witnesses for being here to discuss this important topic. As the Chair mentioned, Senator Whitehouse could not be here today, and I am happy to step in for him in my role as Ranking Member on the Fisheries, Water, and Wildlife Subcommittee.

Reliable access to safe drinking water is a right, not a privilege. We all understand that we cannot survive without a safe and reliable supply of water. Yet there are far too many communities in my home State of California and across the Country that struggle with old, dilapidated water infrastructure and lead pipes. These systems need to be brought into the 21st century.

We do not use lead in our water service lines any more, because we know that there is no safe level of lead in our water. Lead can cause fertility problems for men and women, high blood pressure, nervous system disorders, memory issues, and decreased kidney function. Lead exposure is especially dangerous for children. It can cause children to suffer from lowered IQ, behavioral problems, slowed growth, and hearing issues.

We have known all this for a while now. It is why the U.S. Government has invested so much on a bipartisan basis on lead abatement. Yet more than nine million lead service lines run through communities across America. These pipes are not cheap to find, remove, and replace. I can tell you this: it remains absolutely necessary that we do so.

This is not optional; it is not something that we can minimize or defund.

Water systems across America are also grappling with the pervasive challenge of Per- and Polyfluoroalkyl substances (PFAS), contamination. Yorba Linda, California, is home to the largest PFAS water treatment plant in the Country, and California's water utilities have been ahead of the curve when it comes to investing in PFAS filtration.

Our utilities, especially the ones in California's rural areas, desperately need Federal support to address PFAS and other contaminants. Aging water infrastructure not only threatens our public health, it also threatens our national and economic security.

According to the Environmental Protection Agency (EPA), there are more than 150,000 public drinking water systems in America. The U.S. Government Accountability Office has warned us they are all facing increasing cybersecurity related risks. These water systems tell Congress all the time that they are having to defend against consistent cybersecurity threats, and attacks from nation states like China and Iran, as well as from rogue cybercriminals. A successful large scale attack could have tragic and catastrophic results.

Californians know that the United States is currently the global leader in Artificial Intelligence (AI), innovation and development. We want to keep it that way. It takes hundreds of billions of gallons of clean water, not to mention a lot of energy, to run data centers and manufacture microchips in the U.S. each year. If we do not provide the necessary support to ensure America has a water infrastructure system, a modern one, we risk ceding our economic and technological dominance to China.

Much of the Nation's drinking water infrastructure is in need of repair or replacement. The EPA estimates that we will need to address at least \$625 billion over the next 20 years to bring it up to par. Wastewater and stormwater systems will need another \$630 billion.

The Bipartisan Infrastructure Law invested over \$50 billion in our water. Thanks to this committee's work, communities are able to access financial support for water infrastructure that was previously out of reach through mechanisms like principal forgiveness or grants.

Finally, I would be remiss if I did not emphasize that this is why we need a high functioning EPA. The current Administration has

fired hundreds of EPA employees without cause, and is reportedly trying to fire potentially thousands more. The administrator has also clearly stated his intent to submit a huge budget cut to Congress.

We need experts at EPA to implement funding for water infrastructure, to write reasonable science-based protective standards that keep contaminants out of our water, and to work with States and communities to ensure our water systems are ready to face modern challenges, especially as the changing climate puts added stress on water systems across the Nation.

The Bipartisan Infrastructure Law was a great start in providing needed investments to our community water systems. It must be just that: the start. To support healthy, thriving communities and global economic leadership, we must come together as we have before to deliver on this fundamental need.

With that, I yield to the Chairman.

Senator BOOZMAN. [Presiding.] Thank you, Senator Schiff.

We will now turn our attention to the witnesses for their opening remarks. Our first witness is Kyle Dreyfuss-Wells, Chief Executive Officer of the Northeast Ohio Regional Sewer District. In this role, Ms. Dreyfuss-Wells works to provide regional sanitary and stormwater management services to more than one million residents in 63 communities across the Lake Erie Watershed.

This morning, Ms. Dreyfuss-Wells is testifying on behalf of the National Association of Clean Water Agencies.

I will now recognize Ms. Dreyfuss-Wells for five minutes for her opening statement.

STATEMENT OF KYLE DREYFUSS-WELLS, CHIEF EXECUTIVE OFFICER, NORTHEAST OHIO REGIONAL SEWER DISTRICT, ON BEHALF OF THE NATIONAL ASSOCIATION OF CLEAN WATER AGENCIES

Ms. DREYFUSS-WELLS. Good morning. Thank you, Chairman Boozman, Senator Schiff, and members of the Committee on Environment and Public Works. I am Kyle Dreyfuss-Wells, Chief Executive Officer of the Northeast Ohio Regional Sewer District, a public utility serving Cleveland, Ohio and 62 surrounding communities.

We are also members of the National Association of Clean Water Agencies (NACWA), and I am NACWA's Treasurer.

Thank you for inviting me to testify this morning about the importance of the Clean Water State Revolving Fund and the Infrastructure Investment and Jobs Act. The Northeast Ohio Regional Sewer District is one of the largest wastewater treatment and stormwater management utilities in Ohio, serving one million customers across 363 square miles of the Lake Erie watershed. We do this in 2025 with a \$191 million annual operating budget and a \$276 million capital program.

The Clean Water State Revolving Funds (SRF), is an essential financing tool that helps us, and our member communities, to maintain the clean water infrastructure necessary to protect public health and the water quality on which the economic vitality of Northeast Ohio depends. Through my work with NACWA, I know that Northeast Ohio is not alone: the Clean Water State Revolving

Fund (CWSRF), is critical for utilities and communities across the Country.

IIJA's increases accelerated clean water investment, and NACWA strongly supports the Clean Water SRF reauthorization with IIJA funding levels as the baseline. As one of the largest users of the Clean Water SRF in Ohio, Northeast Ohio Regional Sewer District (NEORS), has financed 111 wastewater projects to date. Our decision, beginning in the 1990's, to use the Clean Water SRF over other funding sources has resulted in significant savings.

For example, our Shoreline Storage Tunnel is a \$220 million project under our \$3 billion federally mandated program to reduce combined sewer overflow. It is one of seven deep tunnels we are constructing, is 14,500 feet long, 23 feet in diameter and will eliminate 350 million gallons of Lake Erie pollution each year.

It took us 5 years to construct, and we financed it through the Clean Water SRF at very favorable terms, 40 years at 1.57 percent interest, while also deferring principal payments for 20 years. If we compare this to realistic financing through bonds with less advantageous terms, 40 years at 3 percent interest over the length of this one loan alone, we estimate that this equates to \$50 million in savings.

Beyond these savings, we have found that the flexibility provided under the Clean Water SRF program brings great value to our ratepayers and customers as part of our overall effort for long-term rate control and stability. These flexibilities include below-market interest rates, deferred principal, extended terms, no need for offering documents or official statements, and no bond rating and bond counsel costs.

It is these features of the Clean Water SRF program that set it apart and are particularly helpful for smaller, less sophisticated borrowers with limited exposure to debt financing.

We are also grateful for the IIJA's inclusion of supplemental grant funding through principal forgiveness. This brought the Clean Water SRF to the attention of many of our member communities as they work to address the \$3.4 billion in local clean water infrastructure needs impacting the quality of life of their residents.

However, over the last 2 years working with our member communities, we have found that it is still difficult for them to access the fund. This is largely due to local governments' hesitancy to absorb additional debt, staffing capacity, and competing community priorities.

To mitigate these barriers, in 2023 we began assisting our member communities. Maple Heights, Ohio is one example of a community that has received more than \$875,000 in principal forgiveness since 2023 to address basement flooding and failing local infrastructure. They addressed 50 flooded basements and replaced 56,000 linear feet of sewers.

As I close, I would also like to emphasize that our work in Northeast Ohio would not be possible without the commitment and innovation of Ohio EPA and the Ohio Water Development Authority. Together, these agencies implement the Ohio Clean Water SRF, and are continually working to make the program more accessible and usable for Ohio communities.

The Clean Water SRF is an important and highly successful Federal, State, and local partnership that we can see is accelerating critical clean water investment.

I appreciate the opportunity to testify and I look forward to the discussion.

Thank you, Senator.

[The prepared statement of Ms. Dreyfuss-Wells follows:]



Kyle Dreyfuss-Wells

Chief Executive Officer, Northeast Ohio Regional Sewer District

Board Member and Treasurer, National Association of Clean Water Agencies (NACWA)

**Before the U.S. Senate Committee on Environment and Public Works (EPW)
Clean Water SRF Reauthorization Bill for the Clean Water State Revolving Fund
April 30, 2025**

Good morning, Chairman Capito, Ranking Member Whitehouse, and members of the Committee on Environment and Public Works.

I am Kyle Dreyfuss-Wells, Chief Executive Officer of the Northeast Ohio Regional Sewer District, a public utility serving Cleveland, Ohio and 62 surrounding communities. We are also members of the National Association of Clean Water Agencies, or NACWA, and I am NACWA's Treasurer. Thank you for inviting me to testify this morning about the importance of the Clean Water State Revolving Fund (CWSRF) and the Infrastructure Investment and Jobs Act (IIJA).

The Northeast Ohio Regional Sewer District (NEORS) is one of the largest wastewater treatment and stormwater management utilities in Ohio, serving one million customers across 363 square miles of the Lake Erie watershed. We manage three wastewater treatment plants, processing 77 billion gallons of flow each year, 489 miles of the regional stormwater system, and 344 miles of large intercommunity sewers. We do this with a \$191 million annual operating budget and a \$276 million capital program in 2025.

The CWSRF is an essential financing tool that helps us, and our member communities, to maintain the clean water infrastructure necessary to protect public health and the water quality on which the economic vitality of Northeast Ohio depends.

Through my work with NACWA I know Northeast Ohio is not alone—the CWSRF is critical for utilities across the country. IIJA's increases accelerated clean water investment, and NACWA strongly supports the CWSRF's reauthorization with IIJA funding levels as the baseline.

As one of the largest users of CWSRF in Ohio, NEORS has financed 111 wastewater projects to date. Our decision, beginning in the 1990s, to use the CWSRF over other funding sources has resulted in significant savings.

For example, our Shoreline Storage Tunnel is a \$220 million project under our \$3 billion federally mandated program to reduce combined sewer overflow in our community. It is one of seven deep tunnels we are constructing, is 14,500-feet long, 23-feet in diameter and will eliminate 350 million gallons of Lake Erie pollution each year. It took five years to construct, and we financed it through the CWSRF at very favorable terms - 40 years at 1.57% interest - while also deferring principal payments for 20 years.

If we compare this to realistic financing through bonds with less advantageous terms - 40 years at 3% interest for example - over the length of this loan, we estimate that this equates to \$50 million in savings.

Beyond these savings, we have found that the flexibility provided under the CWSRF program brings great value to our ratepayers as part of our overall effort for long-term rate control and stability. These flexibilities include below-market interest rates, deferred principal, extended terms, no need for an offering document or official statement, and no bond rating and bond counsel costs. It is these features of the CWSRF program that set it apart and are particularly helpful for smaller, less sophisticated borrowers with limited exposure to debt financing.

We are also grateful for the IJIA's inclusion of supplemental grant funding through principal forgiveness. This brought the CWSRF to the attention of many of our member communities as they work to address the \$3.4 billion in local clean water infrastructure needs impacting the quality-of-life of their residents.

However, over the last two years working with our member communities, we have found it is still difficult for them to take advantage of the fund. This is largely due to local governments' hesitancy to absorb additional debt, staffing capacity, and competing community priorities.

To mitigate these barriers, in 2023 we began assisting our member communities in navigating the CWSRF process. Our goal is to familiarize our communities with the CWSRF program so that they can take advantage of this financing tool to improve their infrastructure in the long term.

Maple Heights, Ohio, for example, has received more than \$875,000 in principal forgiveness since 2023, and coupled with other funding, has addressed over 500 flooded basements and replaced 56,000 linear feet of sewers, addressing long standing infrastructure issues impacting property values, public health and water quality.

As I close, I would also like to emphasize that our work in Northeast Ohio would not be possible without the commitment and innovation of Ohio EPA and the Ohio Water Development Authority. Together, these agencies implement the Ohio CWSRF, and they are continually working to make the program more accessible and usable for Ohio communities.

The CWSRF is an important and highly successful federal, state, and local partnership that is accelerating critical clean water investment. I appreciate the opportunity to testify and look forward to your questions.



Questions for the Record

To: U.S. Senate Committee on Environment and Public Works
 Fr: Kyle Dreyfuss-Wells, CEO, Northeast Ohio Regional Sewer District
 Re: Responses to QFS for the Senate Environment and Public Works BIL/IIJA and
 SRF Hearing
 Date: May 28, 2025

Senator Markey:

1. How has the delivery of Bipartisan Infrastructure Law (BIL) funding changed your planning or delivery of water infrastructure projects?

The Clean Water State Revolving Fund (CWSRF) is an essential financing tool that assists public clean water agencies, like the Northeast Ohio Regional Sewer District (NEORS), in maintaining the clean water infrastructure necessary to protect public health and water quality, while ensuring significant savings for our ratepayers. The Bipartisan Infrastructure Law (BIL), also referred to as the Infrastructure Investment and Jobs Act (IIJA), provided a much-needed infusion of CWSRF financing – not only for traditional loans, but also as principal forgiveness – which has helped the CWSRF reach a broader range of lesser-resourced communities with clean water needs.

In particular, the increase in principal forgiveness funding helped spur creative approaches within the communities we serve to broaden awareness of and access to the CWSRF. The enhanced principal forgiveness provided in BIL/IIJA has helped communities in our service area leverage the CWSRF for the first time. One example is Maple Heights, Ohio, discussed in my testimony, which used BIL/IIJA principal forgiveness to address basement flooding and failing sewers in their streets.

Without the CWSRF's favorable terms, Northeast Ohio's communities would need other funding streams to finance their improvements, like municipal bonds. Such bonds, however, offer less advantageous terms that pass on additional costs to our ratepayers and do not offer the advantages of the revolving nature of the CWSRF. The flexibility provided under the CWSRF program also brings great value to our ratepayers through below-market rates, flexibility, and ease of access.

a. What risks do you foresee if federal funding reverts to pre-BIL levels?

A return to pre-BIL/IIJA levels would have a direct impact in terms of fewer communities having access to the CWSRF, as the state revolving loan fund programs would have fewer funds available to communities. This would result in fewer projects being completed, or projects being financed at less-favorable terms. It

would also mean a return to lower levels of available principal forgiveness which has helped under-resourced communities address long-standing public health and water quality issues.

2. BIL funding for the Clean Water State Revolving Fund has significantly helped your agency address combined sewer overflows (CSOs) in your region; how much of that progress would not have been possible without BIL funding?

NEORS is one of the largest users of the CWSRF in Ohio and we have financed 111 wastewater projects, including projects that addressed combined sewer overflows. For example, NEORS's Shoreline Storage Tunnel – one of seven deep storage tunnels we are constructing – is a \$220 million infrastructure investment under Project Clean Lake, our \$3 billion federally-mandated consent decree to reduce combined sewer overflows in Northeast Ohio. This 14,500-foot long, 23-foot diameter tunnel will eliminate 350 million gallons of Lake Erie pollution each year. As I discussed in my testimony, the project took five years to construct, and we financed it through the CWSRF through very favorable terms – 40 years at 1.57% interest – while also deferring principal payments for 20 years.

If we compare the CWSRF financing structure to realistic financing through bonds with less advantageous terms such as – 40 years at 3% interest - over the length of the loan, we estimate \$50 million in savings that would otherwise be passed on to our ratepayers, many of whom are already facing affordability challenges.

CSO communities around the country face strict timelines to implement long-term control plans to reduce combined sewer overflows. These projects are massive both in scale and budget and have been a driver of rising wastewater bills in recent decades. Prior to the Water Infrastructure Finance and Innovation Act (WIFIA) which requires working directly with U.S. EPA, the CWSRF has long been the only federal funding/financing program available to aid communities in implementing these federal clean water mandates. Without access to the CWSRF's favorable financing, the costs would be even greater – creating significant burden on all our ratepayers and particular hardship for lower-income households.

a. To that end, what do you envision would occur to efforts addressing the nationwide issue of CSOs if federal funding is not sustained and water infrastructure funding from the BIL is not built upon in the coming years?

If CWSRF financing is no longer available or limited, NEORS's borrowing costs would go up, resulting in higher bills for our ratepayers. It would also impact our long-term planning, which relies on the flexibility offered by the CWSRF. Cost-savings

provided by the CWSRF program regularly accrue to our ratepayers as part of our overall effort for long-term rate control and stability.

Further, without the CWSRF, small communities would have few, if any, viable options for financing clean water infrastructure projects. Due to the strong presence of the CWSRF, significant progress has been made nationally to address a range of local clean water infrastructure issues that improve the public's access to healthy waterways and spurring recreational opportunities, economic development, reducing basement backups, and more. The federal government should not retreat from providing this crucial financial assistance to ensure this critical work gets done.

3. **Water and sewer bills have increased significantly in recent years—an increase of nearly 55% for typical US households from 2012, according to a 2023 Bluefield Research study—and water bills continue to rise at nearly twice the rate of overall consumer prices. These water bill increases hit lower-income households the hardest. According to the EPA, households at 75% of the federal poverty level spend over 7% of their monthly income on water bills. What is causing this increasing problem of water unaffordability?**

In a December 2024 report, [*Water Affordability Needs Assessment: Report to Congress*](#), the U.S. EPA found that costs for drinking water and wastewater services have substantially increased over the past few decades due to aging infrastructure, treatment standards, inflation, supply chain disruptions, deferred maintenance, and delayed rate increases. EPA estimates that utility needs for both clean water and drinking water projects nationwide will cost approximately \$1.25 trillion over the next 20 years. Their findings track with what trade associations and industry have reported seeing for many years.

- a. **Besides a low-income water assistance program, what other solutions should Congress implement to address affordability?**

It is imperative for utilities to continue investing in their capital programs, operations, and workforce to protect communities' health, safety, and environment. Water affordability can impact a community in a myriad of ways and impact its long-term economic viability. The impacts of water affordability, combined with rising costs of service, underscore the need for cost-savings programs to ensure that water, sewer, and stormwater services are available to all residents of our communities. A reliable federal Low Income Household Water Assistance Program (LIHWAP) is a key part of the solution, but just one piece to the puzzle. We know first-hand that if we can get ratepayers on a

payment plan and affordability program, we will be able to maintain affordable rates for all NEORSRD ratepayers.

In addition to an affordability program, sustained, reliable federal investment in water – that keeps up with the growth in clean water investment needs that exist – is critical to helping keep water systems in good repair and expanding to meet the growing demands of their local communities and economies.

We also urge Congress to continue to evaluate the impact of federal regulations on water affordability and ensure they reflect the very real challenges many communities are facing. Congress should ensure that public water systems are protected from undue liability from PFAS cleanups, and Congress should work to ensure that federal clean water standards are based on science and that the federal regulations clean water agencies follow will meaningfully benefit public health and the environment.

Finally, Congress can provide oversight to ensure that the Clean Water Act's (CWA) integrated planning tool which allows utilities to develop and implement a long-term plan to prioritize all CWA requirements over broader time horizons and with cost considerations are fully supported by U.S. EPA, Regional EPA offices, and State regulatory bodies. The strategic integrated planning approach will help ensure all clean water requirements are fulfilled— but in a manner that provides ratepayers with the greatest environmental benefit for their valuable investment dollar.

Senator Blunt Rochester:

1. Would a federal program that helps people afford water benefit your industry and can you discuss the impacts it can have on community development?

Absolutely. There is an important role for a low-income water assistance program alongside sustained federal investment in water infrastructure and continued efforts at the local level to keep rates affordable and work to meet our ratepayers' needs.

We know from a February 2024 Health and Human Services report, [*Understanding Water Affordability Across Contexts: LIHWAP Water Utility Affordability Survey Report*](#), that on average, 20% of households are in debt to their water utility. In tribal communities that number increases to 32% of households.

A program like the Low-Income Household Water Assistance Program (LIHWAP) is a strategic investment of federal funds because it targets funding to households most in need, providing a direct benefit to economically stressed ratepayers while also helping the community by keeping more ratepayers connected and contributing to the system.

This not only helps households meet basic needs and limits financial hardship and water disconnections, but it also ensures utilities can plan long-term for critical capital improvements that reliably provide clean and safe water.

At the Northeast Ohio Regional Sewer District (NEORS), we are engaged in extensive efforts to help our ratepayers stay current on their water utility bills. One highlight is our Utility Assistance Resource Fairs (UARFS), established in 2022, hosted in our member communities which assist low-income ratepayers in applying for all types of needed utility assistance. The Fairs provide an opportunity for customers to enroll in various programs and to speak with utility and community organization representatives.

In addition to our own individual affordability programs, which can provide a bill discount up to 40% for our low-income households, our ratepayers have been able to leverage prior available LIHWAP dollars in the temporary program to assist in their bill delinquencies. LIHWAP offered funding for past due accounts and for services already received which directly benefitted our ratepayers and complements our discount program.

2. If Congress were to provide upwards of a trillion dollars in infrastructure funding as highlighted by the EPA in a water infrastructure needs report, how would this investment support local business and job development?

Sustained, reliable federal investment in water – that keeps up with the growth in clean water investment needs that exist – is critical to helping keep water systems in good repair and expanding to meet the growing needs of their local communities and economies. Increased investments in water infrastructure ensures communities like those in Northeast Ohio access more affordable financing to fuel critical infrastructure investments.

Clean water benefits public health and the environment but also is a vital economic driver. Reliable water infrastructure is essential for business operations, and access to water is key to attracting new industries to our communities. In addition, implementing major infrastructure investments creates immediate labor and work needs across a range of trades and industries in our communities which is a benefit to the economy.

3. If the Senate is to consider future infrastructure legislation or supplemental funding packages, what lessons from IJJA should guide our efforts in supporting the water systems you operate?

BIL/IJJA represents the most significant federal investment in water infrastructure in decades – providing \$50 billion over five years to modernize and strengthen the nation's water systems. This includes \$11.7 billion for the Clean Water State Revolving Fund (CWSRF) as well as \$1 billion via the CWSRF specifically targeted to address emerging contaminants.

The results so far speak for themselves in terms of new critical projects on the ground resulting in greater investment in communities across the country. BIL/IJJA's substantial

investment has increased awareness of the need for sustained, increased annual appropriations for water investment for communities to maintain progress and address long-term water infrastructure challenges.

At NEORS, we have been able to use the CWSRF to keep rates predictable, as well as for long-term planning. Without long-term planning and systemic timing of projects and funding, we would not be able to get our projects done effectively and efficiently. Many communities struggle to proactively plan for infrastructure investment, and they are focused on day-to-day challenges. BIL/IJJA has helped provide a path for communities across the country to access federal support and show that a lasting, systemic investment can help all communities maintain safe and reliable water and wastewater infrastructure that our ratepayers deserve.

Senator BOOZMAN. Thank you.

Our next witness is Tom Goulette. Mr. Goulette is the City Administrator and Utility Superintendent for the city of West Point, Nebraska. He has more than 40 years of experience in the utility industry and has served as Nebraska Rural Water's National Director since 2005.

This morning, Mr. Goulette is testifying on behalf of the National Rural Water Association.

Mr. Goulette.

STATEMENT OF TOM GOULETTE, CITY ADMINISTRATOR AND UTILITY SUPERINTENDENT, CITY OF WEST POINT, NEBRASKA, ON BEHALF OF THE NATIONAL RURAL WATER ASSOCIATION

Mr. GOULETTE. Good morning, Chairman Boozman, Senator Ricketts, Senator Schiff, and members of the committee. My name is Tom Goulette, I am the President of the Nebraska Rural Water Association, which represents 467 rural water utilities, about 92 percent of all systems serving under 10,000 people in Nebraska.

I am here today on behalf of the National Rural Water Association, where I serve on the executive committee as treasurer. National Rural Water Association (NRWA), is the Country's largest utility association with over 31,000 members dedicated to drinking water, environmental protection, and public health in all 50 States.

I come from the city of West Point, Nebraska, a rural community of about 3,500, roughly 30 miles north of Omaha, where there are more cattle than there are people. I serve our community as City Administrator and Utility Superintendent responsible for our water, wastewater, and electric utilities. We operate about 1,600 water meters, 1,900 electric meters, and employ 32 full-time staff. Four employees work in the water department.

I started municipal work in the early 1980's as a maintenance laborer at a wastewater plant and worked my way up, gaining experience operating and evaluating facilities across the Country. Since then, I have spent the last 30 years helping small communities like mine address infrastructure challenges.

In rural America, we do not have the luxury of passing the buck. During my time in West Point, we completely reconstructed our wastewater treatment plant with State Revolving Fund assistance, a loan we are close to paying off. Today, we are preparing to update that facility once again, using SRF financing.

Most recently, we faced a serious problem with our water system. Our aging filters failed to remove iron and manganese, leading to discolored water across the community. Restaurants, schools, and our hospital had to install additional filtration or switch to bottled water. High levels of manganese can pose real public health risks, especially to the nervous system.

Thanks to a low-interest drinking water SRF loan, 1.5 percent interest plus a small administrative fee, and \$553,000 in principal forgiveness, we secured \$2.76 million to replace our filters, piping, valves, controls, and install a backup generator. Without that assistance, our residents would be facing bills they simply could not afford.

It is an honor to small, rural community perspective on the water provisions contained in the Infrastructure Investment and Jobs Act. For towns like West Point, the IIJA will make historic investments possible with funding that respects local leadership and helps us to be better public servants.

Without meaningful grant assistance, the price of water and wastewater services would become unaffordable for working families. This assistance is imperative to prevent rural depopulation and a shrinking customer base, which in turn drives up the cost per household, especially as repairing and replacing aging infrastructure is getting harder every year, and the regulatory compliance landscape continues to grow more complex.

That is why the technical assistance provisions you included in the IIJA are so important. Many small communities simply do not have the financial, managerial or technical capacity to access Federal programs on their own. Rural water has built a trusted network of local experts who help small, rural, disadvantaged and tribal communities meet EPA compliance standards, avoid penalties, and access SRF infrastructure funding.

Without this technical assistance offered by each State rural water association, many communities would be left behind.

Another major concern is PFAS regulation. Water systems across rural America support the removal of these harmful substances from the water supply. However, we did not put PFAS into the environment, and we should not be penalized for it. That is why we strongly support the Water Systems PFAS Liability Protection Act. This legislation upholds the polluter pays principle of the Superfund law while protecting water systems and their customers from devastating fees and cleanup costs.

Last, the water sector work force crisis is growing. Over half of our skilled operators are expected to retire within the next decade. Thanks to the committee's leadership and Chairman Capito's long-standing support, rural water launched the first federally approved apprenticeship program for water and wastewater operators.

Today, 34 State rural water associations have earned Federal approval of their apprenticeship programs. We have enrolled or graduated over 900 apprentices nationwide, and so far are actively training the next generation of operators who will be on the front lines of the public health protection in small and rural communities across the Country.

Mr. Chairman, members of the committee, thank you for the opportunity to testify today.

[The prepared statement of Mr. Goulette follows:]



**Testimony of
Tom Goulette, City Administrator and Utility Superintendent
City of West Point, Nebraska
And on behalf of
The Nebraska Rural Water Association
And
The National Rural Water Association
Before the
U.S. Senate Committee on Environment and Public Works
Subject
"Building on the IJA's Successes: Identifying Opportunities to
Strengthen Water Infrastructure Programs"
April 30, 2025**

Good Morning Chairman Capito, Ranking Member Whitehouse, Senator Ricketts, and distinguished Members of the Committee. Thank you for the opportunity to testify today.

My name is Tom Goulette, and I've had the honor of serving as the City Administrator and Utility Superintendent for the City of West Point, Nebraska, a rural community of 3,500 people in Cuming County, since 1993. I've held these two positions simultaneously since 2001 and have worked in the water and wastewater utility industry for more than 40 years. The City of West Point is also a proud member of the Nebraska Rural Water Association (NeRWA) which represents 467, or 92%, of the community water systems in the Cornhusker State. NeRWA has been dedicated to the improvement and assistance of all public water systems since 1977, and as the current President of the Association, I'd like to express a heartfelt thank you to the staff who work tirelessly every day to achieve this most important mission.

I am here on behalf of the National Rural Water Association (NRWA), the country's largest utility association with over 31,000 utility members dedicated to drinking water quality, environmental protection, and public health protection. NRWA provides training, financial management, emergency response, disaster relief, environmental compliance, energy audits, governance, and on-site technical assistance to water and wastewater utilities to enhance the public health and safety of citizens in small and rural communities in all 50 states and Puerto Rico. I have served as Nebraska's

representative on the NRWA Board of Directors since 2005 and am a proud member of NRWA's current Executive Committee. I can attest that this organization truly promotes the water and wastewater professionals that serve small and rural communities across the country and is unmatched in supporting the grassroots advocacy efforts required to help rural America prosper.

In rural America, we don't have the luxury of "passing the buck." When water turns brown or pipes break, our neighbors call us, the water operators, directly. We answer, and we fix it. That's what makes this Committee's work on the Infrastructure Investment and Jobs Act (IIJA) so consequential. You didn't just authorize funding, you made a deliberate, historic and much needed investment in the infrastructure that protects public health, the environment and the economic future of communities like mine. Thank you!

Passed in November 2021, the IIJA will be remembered as one of the most significant public water and wastewater achievements in our nation's history, especially for rural America. Rural Water proudly supported the bill's precursor, the Drinking Water and Wastewater Infrastructure Act of 2021, introduced by then-Chairman Carper at Delaware Rural Water Association's headquarters. That moment reflected Rural Water's longstanding commitment to this Committee's mission and our appreciation for legislation that truly works for small communities.

The intention of the water provisions included in the IIJA have been helpful to small and rural communities, especially the dedicated funding for lead service line replacement, emerging contaminants, set asides for disadvantaged communities, and the expansion of State Revolving Funds paired with technical assistance. Just as importantly, the bill respected local authority by avoiding new federal mandates on municipal systems. On behalf of thousands of small and rural utilities in all 50 states, thank you for getting this right.

But more can be done to maximize the efficiency and efficacy of this landmark legislation. The vast majority of public water and wastewater treatment systems serve communities with populations of 10,000 or less. About 91% of the approximately 50,000 community drinking water systems are small and 80% of the country's more than 16,000 wastewater systems serve fewer than 10,000 people.

In Nebraska, 467, or 92%, of the total 509 community water systems serve a population of fewer than 10,000 people.

In West Virginia, 390, or 94%, of the total 415 community water systems serve a population of fewer than 10,000 people.

In Rhode Island, 75, or 90%, of the total 90 community water systems serve a population of fewer than 10,000 people.

These small communities have a much more challenging time complying with the myriad of federal regulations and operating complex water and wastewater treatment systems due to the lack of technical resources and economies of scale. While we have far fewer resources, we are regulated in the exact same manner as a large community.

For the next few minutes, I'd like to discuss how my small, rural community water system is implementing water infrastructure investments authorized by this Committee, highlight Rural Water's technical assistance initiatives, and outline persistent funding, workforce and regulatory challenges and opportunities that towns like mine are experiencing.

SRF Success Story: City of West Point, NE

In 2018, the City of West Point, Nebraska with a population just over 3,500, and approximately 1,600 water service connections, faced a water quality challenge familiar to many small communities. Discolored water caused by elevated levels of iron and manganese in the groundwater had become a persistent issue. While manganese is not regulated under the Safe Drinking Water Act, at higher concentrations it impacts taste, color, and can pose health risks. The City, recognizing the potential public health implications and erosion of public trust, chose to act decisively before the issue got worse.

West Point initiated a comprehensive solution to modernize its water system with a new treatment facility capable of addressing these contaminants while building long-term capacity and sustainability. The project was developed with due diligence at every stage from pilot testing the proposed technology to assessing long-term rate affordability for residents. Thanks to Nebraska's Drinking Water State Revolving Fund (DWSRF), the City secured a \$2.76 million financing package, including \$553,000 in principal forgiveness. The remaining \$2.21 million was financed over 20 years at 1.5% interest with a modest administrative fee. These terms made this project affordable and feasible for a small utility, and without this assistance the monthly costs per household would have been 40% higher. Unfortunately, this is a common financial predicament that small and rural water systems face around the nation.

The funding supported the installation of a new catalytic filtration system, system control upgrades, variable frequency drive installation, targeted water main rehabilitation, and all related engineering and testing work. A pilot study of the treatment process was completed before construction to ensure the proposed solution would perform as expected, limiting both cost overruns and long-term operational risk. Plus, due to the success of the pilot study, the utility didn't have to acquire any new land.

At the local level, West Point's elected officials and water utility staff provided the leadership and fiscal stewardship required to make this project a reality. The City had previously retired water utility bonds ahead of schedule and operated with consistent

financial responsibility. This successful strategy gave the utility the ability to absorb modest rate adjustments while protecting affordability for residents. Even with this major upgrade, the projected monthly household water bill remained at \$32.18, or just 0.92% of the City's median household income which is below EPA's affordability threshold.

At the state level, Nebraska's DWSRF administrators worked closely with City officials and engineers to move the project through planning, design review, and funding approvals without delay. The result was a streamlined implementation timeline bringing the new treatment facility online by May 2021, just three years after project initiation. For a project of this scope, that is an achievement in itself and a testament to the strength of state-local cooperation and partnerships. Additional recent Nebraska SRF successes include:

- City of Crofton: Faced with a failing 35-year-old mechanical wastewater treatment plant, Crofton needed to construct new sewer lagoons which would have required raising the average monthly sewer bill to \$78.50. However, thanks to significant loan forgiveness through the SRF, the city was able to limit the average monthly sewer bill to \$52.00, saving local ratepayers 34% compared to what would have been necessary without this SRF assistance.
- City of Oshkosh: When elevated arsenic levels forced the city to secure a new water source, the SRF provided \$1 million in grant assistance. As a result, residents now pay an average monthly water bill of \$40.00 instead of \$64.00, saving households nearly 38% per month while ensuring safe drinking water.
- Village of Fairmont: Confronted with excessive manganese levels, Fairmont needed to build a new water treatment facility. Without SRF assistance, the average monthly water bill would have risen to \$68.00. However, with 50% loan forgiveness from Nebraska's SRF, the average monthly water bill was \$42.50, saving customers 38% compared to a project without this SRF assistance.

At the federal level, the SRF framework worked exactly as this Committee intended by providing flexibility to tailor a feasible solution, adequate funding to preserve affordability, and the authority for Nebraska's primacy agency to deliver meaningful support without imposing a one-size-fits-all mandate. By all accounts, this process respected local decision-making while empowering the Nebraska SRF to target resources where they were needed most.

Importantly, this project also underscores why affordability metrics must remain a central feature of SRF financing. Without principal forgiveness, low-interest terms, and the ability to structure repayment schedules around the realities of rural income levels, this project would not have moved forward or would have required an unacceptable rate burden for ratepayers. This is why SRF financing tools remain so essential, particularly

in small communities with a limited tax base, ever increasing regulatory burdens and unfunded mandates.

It's also a reminder that small and rural communities are tasked with meeting the same regulatory standards as major metropolitan utilities. In West Point, we have a staff of 32 employees that manage, operate and repair the entire system 24 hours a day, 365 days a year. There's no in-house legal counsel, no engineering department, and no planning division. Thankfully, Rural Water's technical assistance and expertise played a critical role in helping West Point officials navigate regulatory and funding complexities without costly delays or mistakes.

In summary, the West Point project is a model of what's possible when federal policy, state partnership, and local leadership work in concert. It represents the best of cooperative federalism. This project strengthened the City of West Point's long-term sustainability, improved water quality, protected residents from unaffordable rate increases and is a clear demonstration of how a small town can meet future infrastructure challenges through smart planning, due diligence and trusted partnerships. It underscores a basic principle this Committee recognized long ago: the path to safe, affordable water begins with practical, locally led solutions, supported by federal partners committed to their success.

Identifying IJA Implementation Barriers

The Infrastructure Investment and Jobs Act (IIJA) was a historic, generational investment, and rural water systems are grateful to this Committee and Congress for the enactment of this landmark legislation. As noted previously, it is one of the most significant public drinking water and wastewater initiatives this country has ever undertaken. However, we are hearing from many systems and states that the funds provided in the bill have been slow to be implemented due to overly complex applications, burdensome federal requirements, runaway project costs, supply chain delays, a shortage of qualified contractors and engineers, and competitive funding processes that favor larger utilities over those communities most in need.

The State Revolving Funds are one of the most effective statutory tools Congress has created to support public water infrastructure. However, for too many small systems, the SRFs are inaccessible. Unlocking the bipartisan infrastructure law's intended impact requires deliberate action like simplifying application requirements, providing upfront technical assistance, reducing match requirements, expediting environmental reviews, prioritizing need over scale in scoring systems, and ensuring "disadvantaged" definitions reflect the realities of small and rural communities.

For example, the 49% cap on lead service line replacement subsidization makes it nearly impossible for small systems to afford the very projects they are being asked to prioritize. Compliance with Davis-Bacon, American Iron and Steel, Build America Buy

America, and other federal mandates further drives up costs and strains limited administrative capacity. Lengthy and complicated environmental reviews add more delays. Meanwhile, small systems often lack the cash flow to front construction expenses without interim financing, even as contractors pull back and prices continue to rise. As a result, many small communities, already stretching every dollar, are being forced to shelve critical projects that should be moving forward.

At Nebraska Rural Water Association and National Rural Water Association, our members do an excellent job maximizing funds and economies of scale while delivering essential water service with limited personnel. However, the current challenging industry conditions highlight how the financial health and viability of a small community water system is inextricably tied to rate payment affordability, infrastructure status, and expertise of the utility's operator(s). The affordability of water service is a critical issue for all communities, but it has a disproportionate impact on small and rural water and wastewater systems which affects every aspect of their ability to operate.

Currently, a significant portion of funding from the State Revolving Funds (SRF) is directed toward larger communities—approximately 72% of Clean Water SRF funding and 73% of Drinking Water SRF funding go to large systems, according to the EPA Clean Water State Revolving Fund Annual Report and the EPA Drinking Water State Revolving Fund National Information Management System, respectively.

However, provisions within the SRF, such as principal forgiveness, negative interest loans, and grants, or a combination thereof, can help alleviate financial burdens on smaller systems. Every year, Rural Water advocates for at least the previous fiscal year's appropriated funding level for EPA's SRF programs and associated technical assistance, emphasizing the need and results of this most important water infrastructure investment initiative.

NRWA and NeRWA fully support EPA's SRF water and wastewater programs, as well as the provision of technical assistance to small and rural communities within the regulatory structure of the Safe Drinking Water Act and Clean Water Act. It is essential to empower small and rural communities to set affordable water rates, ensuring the protection of public health and the environment while avoiding unnecessary over-regulation. To realize the full potential of the IIJA and the SRF programs, please consider bridging the gap between legislative intent and practical implementation.

The Value of Trusted Technical Assistance

For half of a century, the National Rural Water Association and our state affiliates have been providing small, rural, tribal, and disadvantaged communities with local, on-site technical assistance and training. This is not a new concept. The Infrastructure Investment and Jobs Act of 2021 (IIJA) included multiple technical assistance provisions and set asides to provide assistance directly to communities that lack the financial,

managerial, and technical capacity to access the State Revolving Fund (SRF) programs. Rural Water, through trusted relationships and exceptional technical expertise, has established itself as the premier resource and partner for small, rural, disadvantaged, and tribal communities to comply with the numerous federal Environmental Protection Agency (EPA) regulations, avoid EPA fines, access water infrastructure funding, and safely operate drinking water and wastewater systems.

The vast majority of U.S. water systems are small; 91% of community water systems and 80% of the country's wastewater systems serve populations of 10,000 or less. Small and rural communities have more difficulty affording public water and wastewater service due to the lack of population density and economies of scale. Some communities are so small they rely on volunteers to operate their systems. These challenges are compounded by the fact that rural communities have lower average median household incomes and often have higher rates of poverty. Despite these challenges, small communities want to ensure quality water and stay in compliance—rural water provides them the shared technical resources to do so.

The EPA Water Training and Technical Assistance Program is designed to strengthen the technical capacity in small water systems, with the aim to reduce the number of systems out of compliance with health-based standards. An important part of Rural Water's long-standing public-private partnership with EPA has been the ability to travel to small and rural communities and assist them with operating, governing, financing, upgrading, and maintaining their water and wastewater infrastructure. This includes compliance with all federal Clean Water and Safe Drinking Water Act regulations, as well as all the training needed to keep local officials and operators certified and educated on the latest rules, regulations, and technologies. This type of hands-on, on-site assistance is the most effective method to help staff and management become more successful operating their systems, and results in a better understanding of the laws' requirements. In fact, National Rural Water's combined state affiliates- including Nebraska- delivered 72,519 on-site technical assistance visits and 396,330 hours of training to more than 105,363 utility personnel in 2024.

Recent technical assistance solicitations from EPA totaling over \$79 million show how far NRWA has come in advocating for these important resources. Unfortunately, these solicitations do not reflect the spirit or intent of the Clean and Safe Drinking Water Acts. The way the agency has been administering these funds, fragmenting awards across dozens of providers with burdensome and duplicative reporting requirements, undermines the impact of this federal investment and destabilizes the industry. Small and rural (if not all) communities do not want direct assistance from the regulatory agency that oversees their compliance with federal laws that can get them fined or worse. The core principle that has made these programs successful from the start is that third-party, trusted technical assistance can facilitate solutions to persistent

problems between communities, consultants, regulatory agencies, and funders. While the availability of additional technical assistance may be good in some cases, communities rely on proven partners and proven programs. Too many inexperienced providers have already resulted in decreased efficiency, confusion and wasted time for system personnel.

It is of the utmost importance for the EPA to recognize that small and rural communities are a solution, not a problem, to improving public health and protecting the environment. We urge the Agency to recognize that small, local governmental water utilities are all governed directly by local citizens to benefit local citizens. Our constituency exists to improve drinking water and sanitation in rural and small communities and on-site technical assistance initiatives are the most effective environmental protection efforts for drinking water and wastewater, ground water, source water, and compliance with the Clean and Safe Drinking Water Acts.

Many small systems face unique challenges in providing reliable drinking water and wastewater services that meet federal and state regulations, including a lack of financial resources, aging infrastructure, and high staff turnover. The on-site technical assistance we provide helps small and rural communities build the technical, managerial and financial capacity necessary to effectively operate drinking water and wastewater systems to comply with regulations, improve operations and management practices, promote system sustainability predominantly through funding access, and better protect public health and the environment. We believe this assistance is most effective when it comes from a trusted individual who is willing to travel directly to the community, has technical expertise to remedy the specific issue with existing treatment and infrastructure, and can be available on-site at any time.

National and State Rural Water Associations are effective, proven technical assistance partners with EPA and have an unmatched track record of supporting a significant majority of the country's drinking water and wastewater systems and protecting public health and the environment. In December 2015, Congress unanimously passed, and the president signed the Grassroots Rural and Small Community Water Systems Assistance Act (Public Law 114-98), which directs the EPA to provide on-site technical assistance in a manner that is most effective to small and rural communities. By following the authorities under the Act, and by leveraging the new-found resources in the Infrastructure Investment and Jobs Act, we are hopeful on-site technical assistance can be reestablished in our states and ultimately make the program more effective and easier for EPA to implement-which is the intent of Congress.

Rural Water Apprenticeship Program

Alongside unwavering support from Chairman Capito since 2016, National Rural Water, State Rural Water Associations, local small and rural community water utilities, and federal agencies including the U.S. Department of Agriculture, U.S. Department of

Labor, and the U.S. Environmental Protection Agency have been collaborating successfully to establish the first nationally recognized Registered Apprenticeship Program for water and wastewater system operators (O*NET-SOC CODE: 51-8031.00), while creating jobs in rural America.

In July 2024, NRWA achieved a significant milestone by securing \$5,594,000 through EPA's Innovative Water Workforce Development Grant Program. These funds, authorized by this Committee, support expanding career opportunities in the drinking water and wastewater utility sector and elevating public awareness about jobs in the water workforce. NRWA is poised to capitalize on these new federal funding awards to strengthen the water sector workforce and is grateful for this Committee's foresight to address this serious issue.

As of January 2025, 34 State Rural Water Associations have completed the rigorous process of obtaining federally approved Registered Apprenticeship Programs and are now attracting, training, and retaining the next generation water workforce with over 573 apprentices enrolled and over 337 have completed their apprenticeship as of December 31, 2024. Because of this novel effort, water and wastewater systems are now empowered to leverage workforce development activities including an identifiable career path and a modern, systematic apprenticeship model for the first time.

Safe and effective water utility management is vital to rural America and the nation. Employment data indicates up to 50% of this workforce will leave the water industry within the next 10 years. Rural water and wastewater utility owners and operators need a pipeline of skilled workers to help ensure clean and safe water for the public and to maintain the water infrastructure necessary to keep rural service areas economically viable. The majority of rural and small community water systems have been unable to attract, train and retain the next generation workforce due to the lack of an identifiable career path coupled with low salary levels and population density.

Supporting the country's public drinking water and sanitation systems is a highly skilled, low skilled and diversified labor force of water utility workers. In any given water utility, water utility personnel may be operating heavy equipment to repair broken lines, managing toxic chemicals, keeping public records, conducting tests in the laboratory, operating process controls, reviewing engineering plans, participating in the local municipal government, monitoring biological treatment processes, complying with federal environmental or labor standards, managing large construction projects, operating and maintaining pumps, engines, and generators, collecting samples, filling out operational reports, and the list goes on *ad infinitum*. The water utility workforce must be available during emergencies like rainstorms, floods, hurricanes, earthquakes and intentional acts of sabotage. Many facets of operating water utilities are inherently dangerous such as operations of heavy machinery and management of large quantities of toxic chemicals.

Water workers are often trained in emergency management response and safety. All water utilities must be operated 24 hours a day, including holidays and weekends. The

exact duties of water workers typically depend on the size and complexity of the water utility. In smaller utilities, one person may run and service the equipment, make repairs, perform tests, and keep records. In larger utilities with many employees, workers may be limited to specific functions such as repair crews, reading individual meters, monitoring treatment, etc.

The NRW Water and Wastewater Operator Apprenticeship Programs include 4,000 hours of on-the-job training with a one-to-one mentor to apprentice ratio and 288 hours of technical instruction over a 2-year period with an increasing wage schedule suggested every six months. NRW Apprenticeship Program graduates serve as public health officials and will often be the only person responsible for complying with the multitude of applicable federal Safe Drinking Water Act and Clean Water Act regulations to supply their small community with safe drinking water and sanitation services every second of every day.

Apprenticeship Program activities include learning the basics of the tools, pipe and other materials used in system operation, personal protective equipment and safety procedures, general plant safety and security operations, operate vehicles and heavy equipment, system operations and maintenance, perform installation and inspection of new water lines and services, implement customer metering and billing procedures, perform leak detection and understand water loss control, read water meters and interpret maps and drawings of the water system to locate valves and water mains, assist with installation, maintenance and repair of the treatment plant, storage tanks, and the distribution system, preventive maintenance, troubleshooting and repair of mechanical equipment, quality control, sampling, monitoring and testing required to maintain compliance with Federal, State and Local regulations, learn emergency response procedures, and collaborate with other members of the industry to learn new technologies and techniques.

The Rural Water Apprenticeship Program allows NRW and our state affiliates to enhance water workforce participation and retention in small, rural and tribal communities, protect the federal investment in America's water and wastewater systems, improve these vital services to customers, certify water worker proficiency with an identifiable career path, modernize the water industry's approach to workforce development, enhance professionalism and upskill the incumbent worker, increase the recognition of the public benefit that water and wastewater systems deliver to their communities, schedule wage increases, and provide access to sophisticated and advanced technology.

PFAS and CERCLA: Hold Polluters Accountable

Most public water systems impacted by any future federal actions for PFAS will be small water systems who have a much more challenging time complying with federal regulations and operating complex water treatment systems due to the lack of technical resources in small communities. NRW shares the goal of eliminating all concentrations of per- and polyfluoroalkyl substances (PFAS) from the public's drinking water and environment. However, regulation, civil enforcement and liability under the

Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) are not the appropriate federal remedies for addressing this problem for local governments. Small and rural communities are not responsible for introducing PFAS into the environment or the public drinking water. The regulatory and enforcement provisions of CERCLA result in the unintended consequence of penalizing the communities whose drinking water or environment was contaminated. This dynamic will be especially problematic in economically disadvantaged communities and for populations with limited resources.

In the near term, Rural Water's primary focus is on protecting water systems and their customers from the potential legal liability, remediation costs, and reputational risks associated with the Environmental Protection Agency's (EPA) proposed hazardous substance designation of PFOS and PFOA under CERCLA. CERCLA is intended to uphold a "polluter pays" principle, whereby those responsible for releasing hazardous substances into the environment are held liable for the cost of cleaning up contaminated sites. However, absent a statutory exemption from PFAS liability for drinking water and wastewater systems who merely passively receive PFAS in providing their respective public health services, polluters could pass these costs on to our customers and your constituents, effectively creating a "public pays" principle under CERCLA.

EPA does not have the authority to provide any formal legal shield, leaving water systems with a commitment that would be formalized through a policy memorandum, at best. This leaves water systems and their customers vulnerable to litigation by potentially responsible parties who may attempt to reduce their own cleanup costs by recovering costs from those who merely passively receive these chemicals.

NRWA and NeRWA want to emphasize the significant financial burden that PFAS testing and treatment costs already place on our communities. Now that PFAS is designated under CERCLA as a hazardous substance, the disposal costs are further exacerbating financial instability and can potentially lead to insolvency. This burden cannot be overlooked, and equitable solutions must be identified.

The only viable option for small water systems and ultimately the public is for Congress to provide a statutory exemption from PFAS liability for drinking water and wastewater systems under CERCLA. This is why in March 2024, Rural Water sent 83 letters representing the interests of over 11,000 water and wastewater systems in rural America to this Committee requesting a narrowly tailored legislative exemption from PFAS-related liability under CERCLA.

NRWA and NeRWA want to express our strong support for the "Water Systems PFAS Liability Protection Act" legislation which has again been introduced in the House (H.R. 1267) this Congress and was under consideration by this Committee in the last Congress. This legislation aligns with the goal shared by small and rural communities across the country to eliminate PFAS from the public's drinking water and environment while preserving the essential "polluter pays" principle for cleanups under CERCLA. It is crucial to recognize that small and rural communities are not responsible for

introducing PFAS into the environment or public drinking water. Extending CERCLA liability to these communities, which are innocent bystanders of PFAS contamination, has unintended consequences and unjustly penalizes them. This approach disproportionately impacts economically disadvantaged communities and populations with limited resources, further exacerbating financial burdens. It is imperative to hold responsible parties accountable for the remediation, treatment, and provision of alternative sources of safe drinking water for the affected communities. They should bear the responsibility for the consequences of their actions, rather than shifting the burden onto innocent parties.

Our members and affected communities need assistance in various forms, including funding for treatment, monitoring, on-site technical assistance for immediate response, credible public health information, emergency access to safe drinking water, and compensation from the responsible parties. Finally, EPA's focus on reporting costs drastically underestimates the overall expenses incurred by water systems. These include biosolids management, disposal of PFAS-laden media, legal fees, fines, and potential cleanup costs, which water systems cannot absorb.

On behalf of the 31,000 small and rural systems NRWA represents, thank you, Madam Chairman and Members of the Committee for the honor to testify. We appreciate your leadership and all the opportunities this Committee has provided rural America to participate in the federal water and environmental legislation and policy crafting process.

Senate Committee on Environment and Public Works
Hearing Entitled, “Building on the IIJA’s Successes: Identifying Opportunities to Strengthen
Water Infrastructure Programs.”
April 30, 2025
Questions for the Record for Tom Goulette

Senator Blunt Rochester

1. Would a federal program that helps people afford water benefit your industry and can you discuss the impacts it can have on community development?

In the rural water industry, affordability starts with feasibility. That means achievable, practical regulations, accessible infrastructure funding, and acknowledgement of state and local government. Congress enshrined technical assistance provisions in the Safe Drinking Water Act because they are the most effective way to help small communities comply with federal mandates without forcing them to raise rates or rely on expensive engineers and consultants.

With smaller economies of scale combined with lower-than-average incomes, water service affordability is a driving factor for small and rural community viability. Rural water and wastewater utilities rely on the affordable financing options provided through the EPA State Revolving Fund Programs and the USDA Water and Environmental Programs. Without these critical financing options, many rural systems would forgo upgrades and expansion necessary to maintain the public health and economic vitality of rural communities or be forced to increase rates that would be unaffordable for lower-income customers. The costs of compliance with practical regulations are an additional financial burden. Maintaining these affordable federal financing options are of the utmost importance for rural utilities.

Customer assistance programs to address water and wastewater bills, while well intended, have seen limited success in rural America. Most rural utilities lack the administrative capacity to manage these programs, can conflict with state laws and utility staff are not trained social service providers. Additionally, customer data collection, eligibility tracking, and reporting can be extremely burdensome; rural systems don’t have HR departments or caseworkers.

As noted in my testimony, small and rural communities have the very important public responsibility of complying with all applicable federal Safe Drinking Water Act and Clean Water Act regulations and for supplying the public with safe drinking water and sanitation. Over 91% of the approximately 50,000 community water systems serve fewer than 10,000 persons and 81% serve fewer than 3,300 people. Small and rural communities often have difficulty complying with complicated federal mandates and providing safe/affordable drinking water and sanitation due to limited economies of scale and lack of technical expertise. However, this difficulty is eased due to ongoing support offered through rural water training and technical assistance programs. The established, trusted assistance provided by State Rural Water Associations in Nebraska, Delaware and across the country allows operators to focus on delivering safe water service, clean wastewater service and protecting public health every second of every day.

As previously mentioned, affordable infrastructure funding that is targeted, flexible and effectively administered is proven to work, which, in turn, keeps communities growing and viable. In Nebraska, the Drinking Water State Revolving Fund helped West Point finance a new water treatment facility that solved an iron and manganese contamination issue before it became a public health crisis. Without the SRFs flexible financing terms, our town's water bills would have been 40% more costly. Similar Nebraska SRF projects in Crofton (new sewer lagoons), Oshkosh (new water source), and Fairmont (new treatment facility) saved residents 30–40% on monthly bills, compared to projects without this SRF assistance. That's real affordability achieved by empowering communities and local leadership, not subsidizing household water service.

Customers should pay the costs for service, and utilities should be given tools to keep that service efficient and rates affordable. That means technical assistance, properly managed and targeted infrastructure funding, and practical regulation are the proper requirements for sustainable water service and long-term community development in rural America.

2. If the Senate is to consider future infrastructure legislation or supplemental funding packages, what lessons from IIJA should guide our efforts in supporting the water systems you operate?

As this Committee works toward considering future infrastructure legislation or supplemental funding packages, here's what we've learned from the Infrastructure Investment and Jobs Act of 2021 (IIJA):

First, the IIJA authorized historic levels of funding, but for most small and rural communities, the process to access it is still out of reach. Unlocking the bipartisan infrastructure law's intended impact requires deliberate action like simplifying application requirements, providing upfront technical assistance, reducing match requirements, expediting environmental reviews, prioritizing need over scale in scoring systems, and ensuring "disadvantaged" definitions reflect the realities of small and rural communities.

Second, technical assistance is essential; it is the backbone of federal water infrastructure policy. For half of a century, State Rural Water Associations have been providing small, rural, tribal, and disadvantaged communities with local, on-site technical assistance and training. Rural Water is grateful that the IIJA included multiple technical assistance provisions and set asides to help communities that lack the financial, managerial, and technical capacity stay in compliance with applicable federal water laws and provide guidance on how to access the State Revolving Fund (SRF) programs. In December 2015, Congress unanimously passed, and the president signed the Grassroots Rural and Small Community Water Systems Assistance Act (Public Law 114-98), which directs the EPA to provide on-site technical assistance in a manner that is most effective to small and rural communities. By following the authorities under the Act, and by leveraging the new-found resources in the Infrastructure Investment and Jobs Act, we are hopeful on-site

technical assistance can be reestablished in our states and ultimately make the program more effective and easier for EPA to implement-which is the intent of Congress.

Third, the concept of affordability is key. Without principal forgiveness and grant funding opportunities in the SRF programs, ratepayers in my hometown of West Point, NE would be paying monthly water bills 40% higher. If Congress wants to preserve public health and protect their sizeable federal investments in rural America's water infrastructure, then affordability must be prioritized, otherwise the viability of small towns becomes unsustainable.

Fourth, water sector workforce investment is of the utmost importance. Half the rural water workforce is set to retire in the next decade. Rural water and wastewater utilities need a pipeline of skilled workers to help ensure clean and safe water for the public and to maintain the water infrastructure necessary to keep rural service areas economically viable. To date, thirty-four State Rural Water Associations- including Delaware- have federally approved Registered Apprenticeship Programs and are currently offering a job creation program specifically designed by industry leaders to attract, train and retain the next generation rural water workforce with nearly 1,000 apprentices enrolled or graduated so far. Scaling this effort requires real federal commitment and we truly appreciate the vision of this Committee to support expanding career opportunities and elevate awareness of drinking water and wastewater utility sector jobs.

On behalf of the 31,000 small and rural water utilities NRWA represents, I truly appreciate all the opportunities this Committee has provided rural America to participate in the federal water and environmental legislation and policy making process.

Senator BOOZMAN. Thank you.

Our final witness this morning is Eric Oswald, the Director of Drinking Water and Environmental Health Division of the Michigan Department of Environment Great Lakes and Energy. In 2017, Mr. Oswald retired as a Colonel from the U.S. Air Force with 28 years of experience in construction, repair and maintenance of critical infrastructure. Mr. Oswald also serves as the President of the Association of State Drinking Water Administrators, and is testifying on their behalf today.

Mr. Oswald.

**STATEMENT OF ERIC OSWALD, PRESIDENT OF THE
ASSOCIATION OF STATE DRINKING WATER ADMINISTRATORS**

Mr. OSWALD. Thank you, members of the Environment and Public Works Committee, my name is Eric Oswald. I am the President of the Association of State Drinking Water Administrators (ASDWA), whose 57 members include the 50 State drinking water programs, five territorial programs, the Navajo Nation, and the District of Columbia, referred to in the remainder of this testimony as States.

ASDWA's members work on the front lines every day to protect public health and ensure safe drinking water through the implementation of the Safe Drinking Water Act.

I am also the Drinking Water Administrator for the State of Michigan; however, I would like to make it clear that my testimony today is on behalf of ASDWA, and that I am not testifying on behalf of the State of Michigan.

Thank you for this opportunity to provide the perspective of ASDWA on this historic investment in drinking water infrastructure provided through the Bipartisan Infrastructure Law, or BIL. The provision of safe drinking water and investment in our Nation's drinking water infrastructure is paramount to economic development and public health protection. This testimony will highlight the nationwide State Drinking Water Program successes of the BIL investment and will provide recommendations that can streamline future infrastructure project implementation.

BIL provides an unprecedented and much-needed investment in our Nation's drinking water infrastructure. This funding is stimulating long-overdue infrastructure projects that would not have otherwise been possible. These projects address a wide range of needed improvements and range in size from \$43,000 to \$65 million. Projects include basic upgrades to address longstanding needs to full-scale infrastructure overhauls, lead service line inventories and replacements, improvement of distribution systems and installation of treatment for PFAS and other emerging contaminants.

In addition to the infrastructure projects, several States use portions of the funding for staff for both implementation of BIL projects and to address regulatory requirements that have been unfunded through a stagnant Public Water System Supervision (PWSS) grant and a decreasing Base, Drinking Water State Revolving Fund (DWSRF), capitalization grant. Importantly, Bipartisan Infrastructure Law (BIL), creates visibility and momentum around water infrastructure needs, and reinforces the role of

DWSRF programs as trusted partners in long-term infrastructure resilience.

The PWSS grant program is a critical funding source for State programs, but has not kept up with inflation and the costs associated with maintaining a State drinking water program. PWSS grants are used to support staff salaries, including inspectors, support staff, and engineers. With the expected end of bill in Fiscal Year 2026, States will experience major funding cuts, and without full restoration of State Revolving Fund based capital grants, States will have to begin cutting important programs and services.

While the BIL funding is a historic investment in drinking water infrastructure, the needs dwarf the available funding. According to EPA's most recent needs survey, \$625 billion is needed over the next 20 years to maintain and upgrade drinking water systems, underscoring the importance of continued Federal investment.

Our recommendations, waivers. While BIL funding has been immensely beneficial, State programs have faced several challenges. Flexibility with future funding will be critical to achieving the goal of helping citizens and communities that need the funding the most. States and EPA must continue to work together to make funding applications streamlined, efficient, and simple.

ASDWA recommends the development of waivers in limited circumstances for the requirements of the Buy America, Build America, and Davis-Bacon Acts to make these funds simpler to obtain for those most in need.

Greater flexibility in how States meet subsidy requirements is essential. Current funding requires exact percentages for principal forgiveness, which creates administrative challenges. For example, 49 percent of funding for lead service line replacement must be provided as additional subsidy through principal forgiveness or grants. Allowing a range of up to a percentage rather than a fixed threshold would ease implementation.

Future investments should allow States more discretion over project eligibility and priority. While dedicated funding for lead service line replacement and emerging contaminants is critical, the prescriptive nature of some bill funding limits the ability of States to fund projects that address more urgent local needs.

An extended timeframe, ideally longer than 5 years, would also be beneficial for the States. A 5-year timeframe is not feasible for complex projects and the detailed funding requirements.

The current funding approach results in a resource strain on States to administer and separately track multiple grants, each with unique requirements. To improve long-term success, future funding should be accompanied by streamlined Federal guidance and simplified reporting.

Sustainability is critical for Federal and State funding programs as well. While the additional subsidy provided through BIL is essential, there may be unintended consequences of an over-reliance on grant funding. While BIL funding is substantial, we need to ensure the public water systems successfully operate and maintain their infrastructure. Systems using BIL funds should not view DWSRFs as a long-term financial strategy.

The BIL funding should be viewed only as a first step in addressing the current and future needs of our drinking water infrastructure.

Cybersecurity, again, is an important and challenging issue, due to limited resources and the lack of detailed knowledge across the sector. Federal oversight and leadership is needed to make the most efficient and impactful steps forward.

Cybersecurity accountability must be approached holistically, recognizing that responsibility does not rest solely with the water sector.

In closing, ASDWA and its members remain deeply committed to safeguarding our Nation's drinking water. We greatly appreciate BIL funding and have suggestions to maximize its impact nationwide, and look forward to working together to continue to protect the public health of all Americans.

On behalf of ASDWA's members, I want to sincerely thank you for your continued investment in America's public water systems, and the people they serve. I would be happy to answer any questions you may have, and again, thank you for inviting me to speak today.

[The prepared statement of Mr. Oswald follows:]

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Testimony of Eric Oswald

President of the Association of State Drinking Water Administrators

to the

Senate Environment and Public Works Committee

BIL/IJA Funding Allocation through Grants and Loan Forgiveness

Wednesday, April 30, 2025



Introduction

Chairman Capito, Ranking Member Whitehouse, and Members of the Environment and Public Works Committee. My name is Eric Oswald, and I am the President of the Association of State Drinking Water Administrators (ASDWA), whose 57 members include the 50 state drinking water programs, five territorial programs, the Navajo Nation, and the District of Columbia, referred to in the remainder of this testimony as states. ASDWA's members work on the front lines every day to protect public health and ensure safe drinking water through the implementation of the Safe Drinking Water Act (SDWA).

I am also the Drinking Water Administrator for the State of Michigan; however, I would like to make clear that my testimony today is on behalf of ASDWA, and I am not testifying on behalf of the State of Michigan.

Thank you for this opportunity to provide the perspective of ASDWA and its members on this historic investment in drinking water infrastructure provided through the Bipartisan Infrastructure Law (BIL), also referred to as the Infrastructure Investment and Jobs Act (IIJA). The states are seeing great improvements to their drinking water infrastructure thanks to this additional funding. The provision of safe drinking water and investment in our nation's drinking water infrastructure is paramount to economic development and public health protection. This testimony will highlight the nationwide state drinking water program successes of the BIL/IIJA investment and will provide recommendations that can streamline future infrastructure project implementation.

Overarching Impact and Successes of BIL/IIJA

BIL/IIJA provides an unprecedented and much-needed investment in our nation's drinking water infrastructure, which is helping address a considerable amount of deferred maintenance, repair, and replacement. For many systems, particularly small and rural systems, this funding is stimulating long-overdue infrastructure projects that would not have otherwise been possible. States are seeing interest in the Drinking Water State Revolving Fund (DWSRF) from communities that had not previously been engaged in infrastructure improvement projects, driven by the combination of low-cost financing and where appropriate, principal forgiveness and grants.

These projects address a wide range of needed improvements and range in size from \$43,000 to \$65 million. These projects include basic upgrades to address long standing needs to full-scale infrastructure overhauls, for projects such as lead service line inventories and replacements, improving system resiliency to extreme weather, and installation of treatment for PFAS and other emerging contaminants. Specific projects also include treatment plan rehabilitation, water main replacement and relocation, and elevated storage tank planning and construction. BIL/IIJA has additionally been instrumental in funding efforts to protect drinking water sources through the Clean Water State Revolving Fund (CWSRF). States also benefit from EPA's Water Technical Assistance (WaterTA) Program, which has helped states extend their reach by providing direct, no-cost support to communities in need, particularly those lacking the resources to apply for and manage federal infrastructure funding.

In addition to the infrastructure projects that were made possible and utilized BIL/IIJA money, several states use a portion of the funding for staff and contracts for not only the successful implementation of BIL/IIJA projects but also to address existing and new regulatory requirements

that have otherwise been underfunded through a stagnant Public Water System Supervision (PWSS) grant and a decreasing Base DWSRF capitalization grant. Workforce sustainability for drinking water programs continues to be a critical issue.

Beyond the physical infrastructure improvements and expanded staffing capacity, BIL/IIJA funding is advancing innovation and collaboration in the drinking water sector. The availability of federal funding gives states and systems the flexibility to explore new technologies, evaluate alternative treatment methods, and consider regionalized solutions that might not have been viable otherwise. The additional funding allows work with utilities of all sizes, urban, rural, and tribal, on projects that address a wide array of drinking water challenges. Importantly, BIL/IIJA creates visibility and momentum around water infrastructure needs and reinforces the role of DWSRF programs as trusted partners in long-term infrastructure resilience.

Funding Issues

The PWSS grant program is a critical source of funding for state programs and has not kept up with inflation, the increased demands from the new regulations and programs, and the costs associated with maintaining a state drinking water program. The PWSS grants are used to support staff salaries including rule managers, inspectors, support staff, and engineers. With the expected end of BIL/IIJA in FY 2026, states will experience major funding cuts when funding is needed most. Without full restoration of State Revolving Fund (SRF) base capitalization grants, states will have to begin cutting programs and services such as capacity development, operator certification and the provision of technical assistance. More importantly, any reduction in the SRF base program grant reduces the funding available for infrastructure improvement projects resulting in fewer loans to water systems to address compliance issues. Losing this funding will impact small, rural communities the most.

While the BIL/IIJA funding is a historic investment in drinking water infrastructure, the needs dwarf the available funding. According to EPA's most recent [Drinking Water Infrastructure Needs Survey and Assessment \(DWINSA\)](#), \$625 billion is needed over the next 20 years to maintain and upgrade drinking water systems, underscoring the scale of investment still needed and the importance of continued federal support to meet these needs. The water sector needs all the stakeholders to work together for sustainability of systems' financial health to ensure that drinking water continues to provide economic development and public health protection across the country.

Recommendations

Potential Flexibility for Waivers

While the BIL/IIJA funding has been immensely beneficial, state programs have faced several challenges that could be addressed through policy refinement. Flexibility with future funding will be critical to achieving the goal of helping systems and communities that need the funding the most. Currently, states are responsible for defining a disadvantaged community, taking local conditions into account. That responsibility for identifying these communities should remain with the states.

States and EPA will need to continue to work together to make funding applications a streamlined, efficient, and simple process for all eligible public water systems. To foster a streamlined process, ASDWA recommends the development of waivers, in limited circumstances, for the requirements of the Buy America, Build America (BABA), and Davis-Bacon (DB) Acts to make these funds simpler to obtain for those most in need. This flexibility is particularly important for small, rural systems.

ASDWA supports the principles of BABA and DB; however, these requirements make the DWSRF process insurmountable for some systems that need the funding the most.

Flexibility in Subsidy Requirements

Greater flexibility in how states meet subsidy requirements is essential. The current funding requires hitting exact percentages for principal forgiveness, which creates administrative burdens and can disrupt funding distribution. For example, 49% of DWSRF BIL/IIJA for lead service line replacement must be provided as additional subsidy through principal forgiveness or grants. Fluctuating construction costs can make meeting an exact percentage very challenging. Allowing a range or “up to” percentage rather than a fixed threshold would ease implementation, better align with state financial assistance frameworks, and still meet the intent of supporting communities in need.

Flexibility in Project Eligibility

Additionally, future investments should allow states more discretion over project eligibility and priorities. While the dedicated funding for lead service line replacement and emerging contaminants is critical, the prescriptive nature of some BIL/IIJA funding limits the ability of states to fund projects that addressed more urgent local needs. A more holistic approach to funding that allows for a broad range of eligibility would allow states to more effectively tailor funding to community-specific risks and infrastructure challenges.

Longer Timeframe

An extended timeframe, ideally longer than five years, would also be beneficial for states and the projects they approve for implementation. The five-year timeframe is not feasible for the complex projects and detailed funding requirements associated with the grant disbursements and loan allocations. For many of these projects, the primacy agencies need to hire contractors or additional staff to assist with project fund disbursement and oversight. Additionally, the specificity and requirements of the eligible projects has led to material shortages and supply chain issues, further delaying projects subject to a short timeframe.

Streamlining Guidance and Simplifying Reporting

The current funding approach results in a resource strain on states to administer and separately track multiple BIL/IIJA grants, each with unique requirements. To improve long-term success, future funding should be accompanied by streamlined federal guidance and simplified reporting. Such changes would ensure states can continue to manage and deliver funding for infrastructure projects efficiently and with accountability.

Sustainability

Sustainability is critical for federal and state funding programs in multiple areas:

- **Funding Sustainability** - While the additional subsidy provided through BIL/IIJA is essential in bringing crucial drinking water infrastructure projects to fruition, there may be unintended consequences of an over-reliance on grant funding. States and EPA need to work together to ensure that the SRFs are sustainable with the split of loans versus principal forgiveness, i.e., enough funds are paid back so that funds can be loaned out again and revolve as intended.
- **Public Water System Sustainability** - While the BIL/IIJA funding is substantial, we need to ensure that public water systems successfully operate and maintain their infrastructure to provide safe drinking water for years to come. Systems utilizing BIL/IIJA funds should not

view the DWSRF as a long-term financial strategy. States are concerned that some utilities will neglect robust asset management and financial planning in anticipation of grant funding.

- **Workforce and Safe Drinking Water Program Sustainability** - The water sector needs to sustain its workforce through the BIL/IIJA time period and beyond. Adequate staff are needed at state agencies and public water systems to finance, design, build and provide appropriate oversight for BIL/IIJA infrastructure construction, including consulting engineers, certified water operators, technical service providers, and construction suppliers and contractors. Sustaining water infrastructure funding beyond BIL/IIJA is critical. The BIL/IIJA funding should be viewed as only the first step in addressing the current and future needs of our drinking water infrastructure, given EPA's estimate of \$625 billion over the next 20 years to maintain and upgrade drinking water infrastructure.
- **Technology Sustainability** - Cybersecurity in the water sector is a challenging issue due to limited resources and the lack of detailed knowledge across the sector; federal oversight and leadership is needed to make the most efficient and impactful steps toward protecting our water sector. Cybersecurity accountability must be approached holistically, recognizing that responsibility does not rest solely with the water sector. The commercial sector must also play a key role in developing products that proactively address cybersecurity risks.

Conclusion

In closing, ASDWA and its members remain deeply committed to safeguarding our nation's drinking water through effective and efficient implementation of the provisions of SDWA. We greatly appreciate the BIL/IIJA funding, as discussed have suggestions to maximize its impact nation-wide, and look forward to working together to continue to protect the public health of all Americans. On behalf of ASDWA's members, I want to sincerely thank you for your continued investment in America's public water systems and the people they serve. I would be happy to answer any questions you may have and again, thank you for inviting me to speak today.



May 28, 2025

Ms. Karly McQuitty
 Director of Operations
 US Senate Committee on Environment and Public Works
 Via Email - Karly_McQuitty@epw.senate.gov

**RE: Responses from ASDWA for Questions for the Record
 April 30, 2025, Senate EPW Committee Hearing**

Dear Ms. McQuitty:

The Association of State Drinking Water Administrators (ASDWA) appreciated the opportunity to testify at the April 30, 2025, hearing, entitled “Building on the IIJA Successes: Identifying Opportunities to Strengthen Water Infrastructure Programs.” The funding from the Infrastructure Investment and Jobs Act (IIJA) continues to be very impactful, as this funding allowed for state and territorial drinking water programs, herein referred to as states, to provide financing for much-needed updates, repairs, and rehabilitation of America’s water infrastructure. ASDWA’s members are appreciative of any Congressional financial investment and welcome the opportunity to provide additional insight and clarity on the issues discussed during the hearing.

The questions for the record are listed below, with ASDWA’s response following. If there are additional questions or points needed clarification, do not hesitate to reach out.

Responses to Senator Markey (MA)

1. *Communities experiencing environmental injustice, particularly Black and Indigenous communities, do not have access to clean water and drinking water that they deserve. During the Biden Administration, the EPA was mindful of these inequities when they implemented eligibility criteria for underserved and disadvantaged communities. How are states using the additional flexibility provided under the Bipartisan Infrastructure Law (BIL/IIJA) to reach disadvantaged communities and help them with their water infrastructure issues?*

In BIL/IIJA, the Biden Administration required that 49% of funds from the Drinking Water State Revolving Fund (DWSRF) General Supplemental Funding and the DWSRF Lead Service Line Replacement Funding must be provided as grants and forgivable loans to disadvantaged communities. BIL/IIJA also mandates that 25% of funds provided through the DWSRF Emerging Contaminants Funding be provided as

grants and forgivable loans to disadvantaged communities or public water systems serving fewer than 25,000 people. In a survey taken just a few months after BIL/IIJA became law, ASDWA [surveyed](#) its members and found that for more than half of respondents, there was more demand than funding available for funding infrastructure needs in disadvantaged communities. The gap between the demand and the available funding is the largest challenge for states in assisting these systems.

With the funding set-aside for disadvantaged communities, states were able to pursue infrastructure improvements for many disadvantaged communities. For example, Maryland and South Carolina were able to pursue small system consolidation to achieve economies of scale for rural water consumers; Florida was able to provide small water systems with technical assistance to find additional funding for staff and for water loss auditing; Wisconsin was able to address small system workforce shortages by training additional operators and creating four capacity development training modules; Maine was able to offer 100% principal forgiveness loans to systems serving less than 100 people for addressing new emerging contaminant regulations. These improvements would not have been possible without the additional funding targeted toward disadvantaged communities from BIL/IIJA.

2. *Are there models or innovations you have seen in this space that should be scaled or made permanent through future legislation? If so, what?*

States are innovating in the areas of water system technical assistance, funding solutions, and compliance with the Safe Drinking Water Act (SDWA) as their limited resources allow. California, for example, has established its [Safe and Affordable Funding for Equity and Resilience \(SAFER\) program](#). Through SAFER, California proactively engages with water systems out of SDWA compliance to identify solutions alongside the community. SAFER allocates funding to communities deemed at-risk through a state needs survey and aids in the utilization of these funds. While SAFER has been incredibly successful in California, many states do not have legislative authority, dedicated state funding, or staffing capacity to implement a program of the same scale.

3. *Are there examples of regions or communities that were able to begin lead service line replacement which would have been delayed or impossible without the BIL/IIJA funding? If yes, please name examples.*

Yes, across the country, many states were able to fund lead service line replacement projects that would have started without the BIL/IIJA funding. Developing a national listing of such replacements projects is task beyond the two-week timeframe to develop our answers to these Questions for the Record (QFRs). EPA is in the process of developing a national dashboard of all the systems' initial

lead service line inventories that were submitted as required by October 31, 2024, and that dashboard should be publicly available soon. At some point in the future, logically, the Agency should be developing national statistics on the number of lead service line replaced.

ASDWA can provide a few examples. Idaho was able to provide lead service line replacement to the cities of Challis and Council, both cities did not have the financial resources or capacity to take on additional debt. Similarly in Wisconsin, several municipalities took advantage of BIL/IIJA funding that had previously never applied for state funding assistance. Some of these cities include Whitewater, Weyauwega, and Richland Center. New York also utilized this funding to replace lead service lines in cities like Penn Yan, Auburn, and Little Falls. Pennsylvania has highlighted that with the BIL/IIJA subsidy, several communities such as Allentown, Pittsburgh, and Philadelphia were incentivized to remove lead service lines at a faster rate. Indiana identified over 30 communities that utilized BIL/IIJA funding for lead service line replacement such as Butler, Fort Wayne, and Lafayette. In Indiana, like Pennsylvania, many of these communities are further along in the process of replacement than they would have been without the additional funding.

Additionally, Hawaii was also able to utilize BIL/IIJA lead service line replacement money to assist small and disadvantaged communities with the replacement of galvanized service lines requiring replacement. Replacement of lead service lines and galvanized service lines in these communities would not have been possible without the funding provided through BIL/IIJA. Utah similarly cited that galvanized line replacement in their communities was prioritized with the BIL/IIJA funding. Kentucky's two water systems with the most lead service lines, Louisville and Northern Kentucky Water District, were also able to replace their lead and galvanized lines at a large scale with the BIL/IIJA funding. Without this additional funding, these Kentucky systems estimated a disproportionate percentage of their budget would have been required to address lead and galvanized lines, reducing their ability to address other water quality and operational concerns.

4. *Water and sewer ls have increased significantly in recent years—an increase of nearly 55% for typical US households from 2012, according to a 2023 Bluefield Research study—and water ls continue to rise at nearly twice the rate of overall consumer prices. These water bill increases hit lower-income households the hardest. According to the EPA, households at 75% of the federal poverty level spend over 7% of their monthly income on water ls. What is causing this increasing problem of water unaffordability?*

One of the primary drivers of rising water utility bills is the increasing regulatory complexity and growing responsibilities placed on the water sector without a corresponding increase in federal funding. As utilities are tasked with meeting new and evolving SDWA requirements, most utilities target the adoption of full cost

pricing, i.e., charging rates that reflect the actual cost of delivering safe and reliable drinking water. This includes investment in infrastructure for treatment, distribution, and ongoing maintenance.

At the same time, the operational costs of running water systems have risen significantly. Utilities now face higher expenses for treatment chemicals, qualified operators, power for pumping and moving water, and compliance activities such as customer notification. Ongoing supply chain disruptions have further driven up costs, particularly for disinfection chemicals and infrastructure materials. The inflationary costs to buy these supplies is exacerbated by the Buy America, Build America (BABA) and American Iron and Steel (AIS) requirements.

Small and rural water systems are particularly vulnerable. With limited customer bases, these systems often cannot generate enough revenue to support operations or repay loans. Many face political or legal barriers to borrowing or lack the debt capacity to qualify for financing. [EPA's Water Affordability Needs Assessment](#) estimates that 12 to 19 million households lack affordable access to water, with the national cost of unaffordable water bills totaling between \$5.1 and \$8.8 billion annually.

On top of increased costs for people, power, and chemicals, utilities are facing a significant backlog of replacing or rehabilitating aging infrastructure. In 2023, [EPA's 7th Drinking Water Infrastructure Needs Survey and Assessment \(DWINSA\)](#) estimated a 20-year investment need of \$625 billion or roughly \$31.25 billion annually to address critical infrastructure needs. However, this estimate predates the release of the Lead and Copper Rule Improvements (LCRI) and the final PFAS regulation, both of which impose significant new compliance costs on utilities. Meeting these new standards will require substantial capital investments from water systems and increased staff resources from states to ensure SDWA compliance.

A. Besides a low-income water assistance program, what other solutions should Congress implement to address affordability?

Fully funding the DWSRF provides water utilities with access to low-cost or no-cost financing for improving their infrastructure. A lack of stable funding that meets the growing water sector need pushes the necessary infrastructure improvement solution to rate increases.

Additionally, a stable and fully funded Public Water Supply System (PWSS) grant program and DWSRF allow the state drinking water programs to provide technical assistance to water systems, which builds system technical, managerial, and financial capacity. Building this capacity encourages better financial planning through planned capital investments, rather than emergency

investments, improving system efficiency and addressing costly water loss, and ensuring SDWA compliance, which will reduce financial penalties.

Regional cooperation can also help bring costs down for all rate payers. Congress can help encourage regional solutions where multiple systems cooperate across a spectrum of potential solutions by providing funding to assist with the process.

5. *How did the apprenticeship provisions in the IIJA contribute to growing the water infrastructure workforce?*

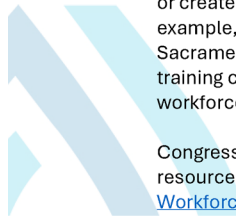
State drinking water programs worked with their [National Rural Water Association \(NRWA\)](#) state affiliates to initiate operator training programs and apprenticeships. For example, the Idaho Department of Environmental Quality collaborated with [Idaho Rural Water Association](#) through BIL/IIJA funding to build a self-sustaining operator training program that assists rural system operators gain experience necessary to upgrade their licensure levels. This type of collaboration has been essential for communities facing a need to train existing staff or hire an outside contract operator.

Indiana also utilized BIL/IIJA funding to support the work of the [Alliance of Indiana Rural Water Apprenticeship Program](#) , which will aid 40 graduates in their training to become water system operators. Apprenticeship and operator training programs can be extremely expensive for both urban and rural systems but are made affordable through BIL/IIJA funding, which in turn helps retain operations and build rural system capacity.

A. *How can Congress support the training of workers in water infrastructure construction and maintenance; water treatment; and water distribution?*

Congress can support the training of workers in the water sector by providing funding to entities, such as NRWA, who can in turn pass funding through to their state affiliates to develop training programs. Additionally, Congress can help by building awareness of career opportunities in the drinking water field by encouraging and providing a financial incentive for state universities to enhance or create programs that revolve around drinking water. Operators in Nevada, for example, rely heavily on courses provided by California State University, Sacramento. Supporting all states to have local drinking water curriculum and training courses may increase the number of qualified individuals joining the workforce.

Congress can support the water sector by sharing and acknowledging useful resources that build the workforce. For example, the US Water Alliance's [Water Workforce and Leadership Library](#) highlights water sector workforce successes



by providing examples of successful programs for leadership development, apprenticeship, internships, and regional collaboratives across the country.

Congress can also prioritize funding for training and technical assistance for SDWA and Clean Water Act compliance and explicitly provide funding and resources to support water and wastewater operator apprenticeships. These investments help build a skilled and sustainable workforce, particularly in underserved and rural communities. Strengthening the pipeline of qualified operators is essential to ensuring long-term compliance, protecting public health, and maintaining critical water infrastructure.

Fully funding the DWSRF and PWSS programs is vital to supporting states in building operator certification programs and ensuring SDWA compliance. States rely heavily on this federal funding to provide training, technical assistance, and capacity development, particularly for small and disadvantaged systems. A fully funded DWSRF and PWSS will allow states to build training programs and improve SDWA compliance.

Responses to Senator Blunt Rochester (DE)

1. *Would a federal program that helps people afford water benefit your industry and can you discuss the impacts it can have on community development?*

Yes, a federal program that helps people afford water would greatly benefit the water sector for all systems, large and small, urban, and rural. The [Low-Income Household Water Assistance Program \(LIHWAP\)](#), launched as a temporary measure during the COVID-19 pandemic, provided critical short-term relief to thousands of households across the country. Its success demonstrated that targeted assistance could reduce service shutoffs, reduce arrears, and improve revenue stability for water systems. Water systems that operate on limited budgets must absorb any unpaid water bills, LIHWAP provided struggling Americans across the country with much-needed relief from unpaid bills and drinking water access without crippling water system finances.

2. *If the Senate is to consider future infrastructure legislation or supplemental funding packages, what lessons from IIJA should guide our efforts in supporting the water systems you operate?*

Ensuring flexibility in subsidy requirements is essential. The current funding requires hitting exact percentages for principal forgiveness, which creates administrative burdens and can disrupt funding distribution. For example, 49% of DWSRF BIL/IIJA/IIJA for lead service line replacement must be provided as additional subsidy through principal forgiveness or grants.

Increasing flexibility for project eligibility would be helpful. The prescriptive nature of some BIL/IIJA/IIJA funding limits the ability of states to fund projects that addressed more urgent local needs. A more integrated approach to funding that allows for a broad range of eligibility would allow states to more effectively tailor funding to community-specific risks and infrastructure challenges.

Extending the timeline of availability of this funding would be needed. A short timeframe, e.g., five years, is not feasible for projects that require contractors and additional staff to assist with and disburse funding.

Sustainability of funding is necessary to ensure DWSRF longevity and an appropriate split of loans vs principal forgiveness that stimulates the intended revolving nature of DWSRF.

ASDWA thanks this Committee for including its members in this hearing, and we are always appreciative of the opportunity to testify at this hearing. If the Committee wishes for additional insight or state-specific testimony, please reach out to Anthony DeRosa (aderosa@asdwa.org) or Kevin Letterly (kletterly@asdwa.org).

Sincerely,



J. Alan Roberson, P.E.

Executive Director
Association of State Drinking Water
Administrators



Eric Oswald

Director
Drinking Water and Environmental Health Division
Michigan Department of Environment, Great Lakes
and Energy

CC: Adam Tomlinson, US Senate EPW
Dan Dudis, US Senate EPW



Senator BOOZMAN. Let's begin the questioning phase of the committee.

Senator Padilla.

Senator PADILLA. Thank you, Mr. Chair. I very much appreciate the opportunity to chime in on the subject at hand.

In 2021, one of the first things we did in this committee, and you may recall, was pass the Drinking Water and Wastewater Infrastructure Act, which became the foundation for the Bipartisan Infrastructure Law. I am especially proud that the BIL included provisions and it championed both water re-use and stormwater management, replaced lead service lines, and to prioritize technical assistance, which, Mr. Goulette, you spoke to this a minute ago, technical assistance for small systems that oftentimes struggle to be able to provide that for themselves.

I am proud that the committee's bipartisan efforts became the largest single Federal investment in water infrastructure in history.

Thanks to the IIJA, small water systems in Tulare County, for example, Senator Schiff and I both represent Tulare County, California, they can now treat pervasive contaminants in drinking water. Farmworker communities like those in Pajaro who can now rebuild their water systems after historic storms left the town completely underwater. The community of Colusa was able to install water meters and fire hydrants to prepare for inevitable western drought conditions.

Whether they face fire, floods or droughts, or aging infrastructure and emerging contaminants, water systems and the customers they serve are now facing more than \$1.2 trillion in infrastructure needs over the next two decades. As the witnesses today know better than most, ratepayers will bear the brunt of those costs, especially in small communities, rural communities, and tribal communities. By nature, they have much smaller rate bases.

For many rural communities, including the tribal communities, farmworker communities that have spoken up and communities near sites of legacy industrial contaminants end up paying twice, in reality: once for the contaminated water that is flowing through their pipes, and once again for the much costlier bottled water that they are forced to rely on.

It is hard to believe that in Fresno County, a typical family has to pay \$280 a month for water that fails to comply with our Clean Drinking Water standards. It is one of the reasons I have been pushing for years for a permanent national water assistance program, just like we do for energy bills.

My question, frankly, is for all of you, starting with Ms. Dreyfuss-Wells. As we examine the different ways to improve administration of the SRFs, bolster technical assistance, how could a permanent water assistance program help cushion the impact of infrastructure upgrades for water systems and the people that they serve?

Ms. DREYFUSS-WELLS. Thank you, Senator. Yes, very important to make sure that we bring all of our customers along with us. As you point out, low-income water assistance is very important to make sure that those folks who do have difficulty paying their bills have the support to be able to pay their bills.

I will say that that at the Northeast Ohio Regional Sewer District, our leadership has taken this seriously since 2009. We have had our own affordability programs. We work very hard to make sure that we connect eligible customers with those programs, which is another significant barrier.

Low-income household water assistance is important to make sure that you bring all of your customers along with you and can keep the cost low for your utility across all of your ratepayers.

Senator PADILLA. I would like to hear from each of you.

Mr. GOULETTE. To go along with that, many small communities already stretch their dollars. They are being forced to shelve projects just to make ends meet. We do not want them to become more disadvantaged because they feed us, they feed us into other systems, other programs.

You know, keeping the rates competitive while making them reasonably desirable and affordable, I think that is the key.

Mr. OSWALD. Yes, I think those types of programs are incredibly important. I know they lessen the burden of regulatory authorities by providing technical and financial assistance to these smaller communities. We have many regional systems that do these programs on their own that try to give back and make water more affordable. It is a very big challenge for them.

I know the Federal funding has made a huge impact for our systems.

Senator PADILLA. Just a followup question for you, Mr. Oswald. Correct me if I am wrong, but Federal investment in water infrastructure has declined, if my numbers are correct, by 77 percent since their peak in the 1970's. The Federal Governments' share in new infrastructure upgrades, let alone operations and maintenance, that is another whole conversation.

How critical is Federal investment in water infrastructure for supporting water affordability?

Mr. OSWALD. It is incredibly important. It offsets ratepayer expenses; it can make more efficient investment across the board in drinking water. It has to be followed up. We have this incredible investment in infrastructure, we need to make sure we maintain that investment as well, and not ignore it as we go into the future, or we are going to be facing this problem again in 20, 30 years.

Senator PADILLA. Thank you all. Thank you, Mr. Chair.

Senator BOOZMAN. I apologize; I woke up this morning with some sort of allergy thing. Hopefully my voice will hold up for a little bit.

In Arkansas, we are finding ourselves in a position where IJJA lead service line funding is simply not being spent, and leftover funds will end up going to other States under current law. This is not because there is not a need for water infrastructure upgrades, but it is largely due to the requirement of the 50 percent match to grant funds and many small and disadvantaged communities simply can not come up with the funding.

In a recent survey, the Arkansas Natural Resources Commission received over \$5 billion in requests for water and wastewater projects. In other words, we have this tremendous need and could use any leftover lead service line replacement funding for traditional water infrastructure projects. Simply put, our needs are just different.

Let's start with Mr. Goulette. You mentioned in your testimony small communities in Nebraska are having a similar program. Can you speak to your experience navigating the matching requirement and how increased flexibility, whether in eligible uses or match waivers, could help your community and others like it better meet their water infrastructure needs?

Mr. GOULETTE. Sure. One of the struggles was the matching funds, as you mentioned, coming together for that purpose. Those communities will be taking those funds from somewhere else to bring that match to that water system.

For us in West Point, we were fortunate enough where we did some planning, we did some set-asides and we were able to retire some debt early on, expecting the water project that we just completed. That was one of the big I guess proactive aspect of it. That is one of the things that we do on the rural water side, is we try to remain proactive, plan in advance of what the upcoming needs of the communities are as we did in West Point.

Senator BOOZMAN. Very good.

Ms. Dreyfuss-Wells.

Ms. DREYFUSS-WELLS. Yes, I think, Senator, to your point, the way that communities are able to get projects done is through long-term planning. Understanding the need in their community and then to your point, being able to actually build a project funding portfolio around any given project.

What we have seen in Northeast Ohio is that our under-resourced communities have actually been able to have the funding to be able to put together a plan. We have supported that at the sewer district. Then they can rely on IJA principal forgiveness as well as State funding, as well as some funding from the sewer district, to put that together and meet those match requirements.

Any reduction in those match requirements would help communities take advantage of this funding and get projects done.

Senator BOOZMAN. Very good.

Mr. Oswald.

Mr. OSWALD. Yes, I would agree with that. We need flexibility. The prescriptive 49 percent or 50 percent subsidy creates problems when actual construction costs come in and they differ from what the estimates were. We have found that to be an issue.

It also prevents communities from doing a dig once, if they have to defer those lead service line, or execute those lead service line replacements apart from water main replacements, and creates an unnecessary burden on the community to dig up roads more than one time.

Senator BOOZMAN. Very good.

For all of you, can you give us one or two examples from your community where recent Federal or State investments made a measurable difference in water or wastewater infrastructure? Based on those experiences, what improvements could help ensure funding reaches the communities that need it most and is used as effectively as possible?

Ms. DREYFUSS-WELLS. Senator, I will give two examples. I talked about Maple Heights, Ohio, which is a very typical Cleveland first-ring suburb, under-resourced community that has taken a very deliberate approach to deal with its financial issues. They were able,

through the Infrastructure Investment and Jobs Act principal forgiveness, as I said, to address basement flooding and failing sewers in their streets.

When we are talking about basement flooding, we are talking about sewage in people's basements, which is really the first line of a public health issue that needs to be addressed. Maple Heights, Ohio, has had significant success, Richmond Heights as well, addressing flooded streets, basement flooding, through the Infrastructure Investment and Jobs Act. It has been a wonderful resource for those communities.

Senator BOOZMAN. Very good.

Mr. GOULETTE. Senator, I do not have a good answer for you on that at this time. I would have to defer back to our State primacy agency and get that information back to you.

Mr. OSWALD. I am going to use the example of Benton Harbor, Michigan, where a cooperative effort between the local citizens, the State of Michigan, and the Federal EPA resulted in the elimination of all lead service lines in the community over a year timeframe. That would not have been possible without this infrastructure funding. That was a great example of how cooperative federalism and everybody working in partnership can make a huge impact on a community.

Senator BOOZMAN. Very good.

Senator Schiff.

Senator SCHIFF. Thank you, Mr. Chairman.

Mr. Oswald, during the last Administration, EPA issued the first-ever legally enforceable drinking water standard for PFAS, forever chemicals. In California, many of our water systems were already working on this issue and started investing in PFAS filtration years before the regulation.

Nevertheless, both in California and around the Country, the need to continue focusing on getting PFAS out of our water is overwhelming and it is expensive. How would you prioritize the need to remove PFAS, that is given that the cost of removal is extraordinary, the cost of not removing it is far greater?

Nevertheless, how do we triage that problem? How do we identify where we make those investments first?

Similarly, the cost of getting all the lead out is extraordinary. It is well beyond anything we put in the Infrastructure Bill. How do we triage that problem as well?

Mr. OSWALD. For PFAS, we have been testing for PFAS for over 5 years now. The first step is to know where it is at. We take a balanced approach to systems that exceed Per- and Polyfluoroalkyl substances Maximum Containment Levels, PFAS MCLs. We first look at their source water to see if they can change source water.

We then look to see if there is a community near them that they could hook up to that maybe does not have the PFAS issue and foster a regional approach to PFAS.

Then obviously, to treatment, which can be extremely expensive. Then you have to deal with the waste product of that treatment as well.

Lead service lines, again, is a huge balancing act. It is incredibly expensive. When we started in Michigan, I think the average cost was \$5,000 to remove a lead service line. It is upwards of \$8,000

to \$10,000 now. You have to balance that investment against investments in distribution systems and water treatment plant upgrades.

I think a balanced approach and a given timeline is the best way to address that so we do not bankrupt the checkbook with removing all these lead service lines at once, with upgrading water treatment plants and doing things on that end of the scale.

Again, it is a balanced approach, and like you said, it is triage. It is looking at what we can do in a reasonable manner and a reasonable timeframe, not on the backs of ratepayers in totality, but to use a balanced approach of funding.

Senator SCHIFF. Opening up the question to the other witnesses, what is the State of the treatment to remove PFAS? Are we able to remove all PFAS chemicals or only certain PFAS chemicals? How do we deal with the waste that is created as a result? Can you shed some light on that?

Mr. GOULETTE. For Nebraska and rural water systems, it becomes an economy of scale as to what that financial impact would be to the users. For example, we have a small community just south of us, about 240 residents, that have a significant PFAS showing up in their drinking water system. They have two wells. Both of those wells were equal in showing up PFAS.

It would be more economical for them to hook onto another water system, or to find another water source, rather than go through a treatment process and require the disposal and everything else that goes along with the PFAS.

Senator SCHIFF. If that water that is PFAS contaminated, let's say they do not use it for drinking water, can that water be used for anything else? If it is used for irrigation, does that simply move the PFAS into the food that they eat?

Mr. GOULETTE. Well, I think it moves it back into the food chain. We are a farming community, there is a lot of agriculture around there. I think that would absorb the PFAS and we would have other issues.

Ms. DREYFUSS-WELLS. Senator, I would add two things. From the Northeast Ohio Regional Sewer District's perspective, PFAS has not emerged as a significant issue in our watersheds. We are preparing for it as an emerging contaminant, and have been able to access through the IIJA's Emerging Contaminants funding some dollars to look at landfill leachate, as a treatment process for landfill leachate, which can be a potential source of PFAS.

Then also some additional laboratory equipment to make sure we can analyze the products coming to us.

I will say from NACWA's perspective, we are very focused on dealing with PFAS as a source, which are those companies that are producing PFAS, as opposed to having that burden come to public wastewater treatment facilities, where we are really the end of the conversation, not the beginning.

Senator SCHIFF. Do any of you have a sense of the State of the technology? Is it capable of removing all the different forms of PFAS? Or are we still not there yet?

Mr. OSWALD. We are there. I think we can remove all the PFAS. You have reverse osmosis; you have activated carbon. It is how you deal with that waste stream that you generate as well, do you send

it to a landfill, how do you deal with that waste stream so you are not reintroducing it into the environment and creating more problems?

We can treat it, we can get it down. It is expensive and you have to deal with the waste.

Senator SCHIFF. Where is the research being done? Is that something that Congress can further augment to determine what is the most cost effective way, protective way to handle the waste that results from that filtration process?

Mr. OSWALD. We rely heavily on EPA's Office of Research and Development for that type of expertise to do that research and inform us on what the best methodologies are and what the impacts are.

Senator SCHIFF. One last question on lead. In terms of triaging the lead problem, I assume that the severity of the problem in a particular venue depends on the degradation of the pipe but also the acidity of the water. What should that tell us if anything about how we triage that problem? Is it just a matter of testing the water to see where the combination of those factors produces the worst result? Or are there other ways to do an analysis of the sort of the State of different pipes, so that we can identify which to replace first?

Mr. OSWALD. We can study pipes, and we do that through pipe loop studies. There is a lot of research on that.

The bottom line is we have to get the lead out of the system. We can treat the water and make it non-corrosive, but you are just one instance away or one accident away from creating an issue where the water gets very acidic for a certain period of time and leaches or takes that protective coating off the lead pipes.

We can do a lot of treatment on the positive side for corrosion control treatment. Again, it is a band-aid on the problem. We have to get the lead out of the system, and we have to deal, to a certain extent, with premise plumbing, too, because you have a lot of lead inside houses in the form of solder or fixtures that can also create a problem. We have had systems that have absolutely no lead service lines and they still have lead action level exceedances because of this premise plumbing.

Senator SCHIFF. Got you. Thank you very much, Chairman.

Senator BOOZMAN.

Senator Alsobrooks.

Senator ALSOBROOKS. Thank you so much, Mr. Chair, and thank you so much to our witnesses for being here today.

The Bipartisan Infrastructure Law has been really transformative for our water infrastructure across the Country, most especially in a place like Maryland. The funding Congress provided supports a range of key programs which finance critical upgrades to wastewater and drinking water systems, also enhances stormwater and flood resilience infrastructure and invests as well in lead pipe replacement and water system sustainability.

These programs have been absolutely transformative in Maryland. It has really helped Maryland to modernize its infrastructure, to reduce pollution and deliver clean, safe water to communities, especially those who have historically faced economic barriers.

I look forward to working with this committee to build on the success of the Bipartisan Infrastructure Law. The few questions that I have, the first one will be for Mr. Oswald and Ms. Dreyfuss-Wells. The Bipartisan Law provided funding to solve longstanding water infrastructure problems and address some of the most pressing public health challenges in our communities. In Maryland, State Revolving Fund supports projects that improve drinking water, removed lead service lines in Baltimore and stopped sewer backups in basements to keep wastewater out of the Chesapeake Bay.

Now, the Bipartisan Infrastructure Law, as we know, was a critical down payment on upgrading our Nation's water infrastructure. What we know is that it was just that; it was a down payment. The question for you all is, let me just say first of all that if we do not reauthorize the Bipartisan Infrastructure Law programs that continue to provide funding, the gap in Maryland between resources and necessary investments would be about \$125 million per year.

The question is, Mr. Oswald and Ms. Dreyfuss-Wells, would you both speak to what it would mean for your organizations and for drinking water and clean water systems across the Country if the Federal Government ceases to partner in this effort?

Mr. OSWALD. I will tell you we have a tremendous backlog of deferred repair and maintenance and replacement in our drinking water infrastructure, similar to our highways. The tougher problem with drinking water is it is out of sight; it is out of mind.

We tend to let that infrastructure go until the point that it fails. We have systems that are over 80 to 100 years old in our distribution systems. Those need to be replaced. The Bipartisan Infrastructure Law is a mechanism to downgrade or down pay, get a down payment on that backlog and get that backlog reduced or eliminated, in most cases.

Personally, as a State and as State drinking water administrators, we have to do a better job with asset management. Once we get that backlog taken care of, and it is a huge backlog, we have to do a better job of making sure that our systems use proper asset management to make sure that investment does not go to waste, that we do not ignore it for the next 50 years, that we continue to maintain and operate it as needed so we can protect that investment.

Again, it is like your car. You can change the oil like you need to and it will last a long time. You run that car for 20,000 miles and then change the oil, change the engine, it gets a lot more costly. It is a combination of things. We need the Bipartisan Infrastructure funding to get rid of the backlog, and then we need to do a better job of maintaining that system.

Ms. DREYFUSS-WELLS. Senator, what I would add to that, yes, obviously there is a huge backlog. You talked about Maryland's backlog. Communities have this across the Country. We need to have the funding to address those issues and to address the issues going forward.

I also want to highlight that the Clean Water SRF is a financing tool, that communities need that consistency, they need to know it is there, so that they can do their long-term financial planning,

they can build a package of financing around a particular project. That is how we deliver projects efficiently.

I know it is a bit of a snooze, but project management is the silver bullet. The Clean Water SRF is essential to that project management, because it is the lowest cost of borrowing for utilities across the Country. That is essential.

Senator ALSOBROOKS. Okay. I see the time is gone. I will just ask quickly about the Chesapeake Bay. This is for Mr. Oswald.

As the largest estuary in the United States, the Chesapeake Bay is a critical source of drinking water. However, the Bay has been under stress for decades due to pollution and climate change significantly impacting water quality and affordability in the Bay. For this reason and many others, there are ongoing efforts to restore and protect the Bay.

Just quickly, would you discuss how protecting the Chesapeake Bay lowers the cost and increases the availability of drinking water in communities?

Mr. OSWALD. Obviously, source water protection is foundational in the drinking water business. We try to be very protective of our water sources, be they surface water or groundwater. Protecting those surface waters lowers the bill for everybody, because you do not have to treat as much. You eliminate things like harmful algal blooms that can sicken a lot of people very quickly.

Investing in that with our Clean Water partners is huge to reduce nutrient loads on bodies of water like that, and reduce the pollution going into that from PFAS, microplastics or whatever other emerging contaminant you want to talk to.

Yes, source water protection is huge.

Senator ALSOBROOKS. Thank you.

Senator CAPITO. [Presiding.] Thank you. I am back, and ready to ask a couple of questions. Thank you all for your patience.

I mentioned, Mr. Goulette, this is for you, I mentioned in my opening statement several times the challenges of rural communities in facing these infrastructure challenges. Many of the systems, if there are existing systems, are so old. The one thing that has always bothered me about our systems in West Virginia is the leakage. I am sure that is from ancient and old, or not ancient, but very old technologies.

Anyway, based on your experience, what are the greatest challenges that rural communities face? What policies should we prioritize to provide additional support or technical tools to help people address these issues?

Mr. GOULETTE. The greatest thing we see in Nebraska specifically, and pretty much across the Nation, is the geographic isolation of those small systems. Being able to, for example, I have Nebraska rural water circuit riders go out and assist those programs, those systems, especially when there is that lack of economy of scale and untrained operators. We see so much turnover in that field also right now.

The other thing we are spending a lot of time with is educating the local governments in those small communities. There is such a significant turnover, and that ever changing regulatory environment also plays a part in that.

Senator CAPITO. Right. With your circuit riders, do you feel like they are stretched too thin? Or do they have enough, I mean, obviously everybody always wants more. Let's just say in a practical sense, are they able to cover the State of Nebraska sufficiently?

Mr. GOULETTE. Yes, I think we do an excellent job. We have three drinking water circuit riders that run around the State of Nebraska, they average about 30,000, 35,000 miles a year, 35 contacts a month. They are there, basically on an on-call basis also to assist those systems when they are in need of some type of help or environmental issues that impact their systems.

Senator CAPITO. Okay, good. Thank you.

Ms. Dreyfuss-Wells, I want to talk about the cooperative federalism principles that I outlined in my opening statement. From your experience, administering projects funded by State Revolving Funds, could you discuss that importance for the States to maintain their flexibility to prioritize what best meets their needs?

The other issue, and I do not know if you can address this, is the issue of financing large projects, a State Revolving Fund in many cases is only one portion of this. You could have other State sources or Federal sources or county resources, but also the ratepayer is always gone back to for rate increases. That is really difficult for communities as they try to face this.

First of all, talk about the importance of maintaining flexibility, and then any other kind of creative ideas that you have run into on the financing aspect.

Ms. DREYFUSS-WELLS. Thank you, Senator. I think Ohio is such a great example of this flexibility. As I said, the Ohio EPA and the Ohio Water Development Authority run our clean water SRF. They have for years taken a very innovative approach to make sure that they understand the needs of communities, and that they are structuring financing packages to meet those needs.

As I said, we have worked with them since the 1990's and they have evolved every year, looking at our capital plan, looking at the capital plan of other communities like Columbus, what can they do to be flexible. This idea of structured loans with deferred principal payments, this is something that they came up with.

Your point is spot on in terms of States need to have that flexibility to implement their programs, to meet the needs of the communities.

Senator CAPITO. Right. Well, I'm certain that certain portions of Ohio are a lot like our more rural areas down in the southern part of Ohio, southeastern Ohio, it is probably very similar to West Virginia.

Ms. DREYFUSS-WELLS. Absolutely. I will just say that is where the technical assistance is so important because as you know, we are talking about a township trustee. Maybe they have a township administrator. They probably have a consulting engineer if they are lucky.

That consulting engineer is going to have to put that funding package together and they need to have the technical support to write a project application that is going to get funded.

Senator CAPITO. Thank you.

I am not really sure who this question would be best addressed by, so I will throw it up to all three of you. In the water portion

of the bill, there was some remediations for lead and lead pipes. Part of the issue, I believe, that we have run into is how far does that money go.

Does it go to the edge of the yard and then the homeowner is in charge of it? Does it go into the house? What have you found in that, and how can we—I think we acknowledge that we are not going to get to where we want it to go with the ambitious program that was put forward.

Does anybody have any experience with that that they would want to talk about?

Mr. OSWALD. Yes, I can address that a little bit. There is a private side for lead service lines. Obviously usually at the curb stop, you have a valve you can shut off. In most cases, from the valve to the home is privately owned. The rest of it, up to the water main, is publicly owned.

To coordinate those two can be extremely difficult.

Senator CAPITO. Yes, because the homeowner could own the lead part of it.

Mr. OSWALD. They could. They could refuse permission to the water system to come in and replace that. Most States have outlawed partial service line replacements, because it can create issues. If the homeowner declines, then you are stuck, you can not replace anything.

It is very, very problematic. That private and public ownership, that we do not run into, say, in the electricity or natural gas, it is just an oddity. In Michigan, we require the systems to replace the whole service line at their expense to eliminate environmental justice issues where a homeowner that could pay for their side gets the whole thing replaced, whereas a homeowner that can not afford that, they do not get any lead service line replacement. That is a huge challenge.

The States differ on what laws govern that, whether you can pay ratepayer funds to replace that private side.

Senator CAPITO. Right. Does anybody have another comment on that?

Ms. DREYFUSS-WELLS. I am sorry, Senator, I am bouncing in my seat to comment on that. Very much an issue on the lead service line, not my area of expertise, but it is also an issue on the sewer side. Much of the infiltration, the inflow and infiltration that we have of leaking of sanitary and storm sewers, there is a big component on the private side.

The only thing I will add is that this is where trust comes in between utilities and their customers, making sure that folks know who you are before you come to their homes to ask to be able to do work on the private side. That is something that we very much focused on in Northeast Ohio.

Senator CAPITO. All right, thank you.

Senator Ricketts.

Senator RICKETTS. Thank you very much. Appreciate it.

Welcome, everybody, to all of our witnesses today. I appreciate your taking the time. Tom, great to have you here, to be able to represent Nebraska.

Tom brings just a wealth of information to this committee. If there is a job involving water in the State of Nebraska over the last

40 year, Tom has done that job. He has been obviously currently in West Point, a great community there in Cumming County. Just the depth of expertise is amazing.

I am actually going to read off some of this stuff because it is pretty impressive. He served as chairman of the Governor's Advisory Council for Drinking Water, chairman of the Municipal Energy Agency of Nebraska, chairman of the League of Nebraska Utilities Section, and president of the Nebraska Rural Water, just to name a few. You are currently chairman of the League of Municipalities Small Cities Legislative Committee. Say hi to Lynn for me when you get back.

Mr. GOULETTE. I will do that.

Senator RICKETTS. If you are not busy enough, you are engaged in very civic engagements, where you have served as the utility superintendent for the city of West Point since 1993, and added City Administrator to your business card in 2001. You still have both those titles today, right?

Mr. GOULETTE. Yes.

Senator RICKETTS. Yes, so it just shows, again, in small towns, people wear a lot of hats.

Before the committee today, your post is to Nebraska Rural Water Association. You have been on the board there since 2005 and are currently serving on the executive committee. Thank you again, Tom, for being here. We really, really appreciate your experience that you bring to this committee.

Mr. GOULETTE. Thank you, Senator.

Senator RICKETTS. Welcome. What I would like to talk a little bit about is many small and rural communities face significant challenges in accessing and managing the Federal infrastructure dollars due to limited staffing and technical expertise. We saw this in other areas as well, like the Department of Transportation and so forth.

When we met in February, the Nebraska Rural Water Association shared some of these barriers. What types of resources or policy changes could Congress consider making to Federal programs to make them more efficient for small and rural communities?

Mr. GOULETTE. A lot of it comes down to simplifying the application requirements for those small communities. Typically they know best what their needs are going to be when it comes to upgrading their systems or changing the equipment and that type of thing, along with the assistance from the Nebraska Rural Water Association, our circuit riders are there lending assistance and quantifying that.

Then once they get to that point, once they can get to some type of formulation of what that community needs, that is when an application needs to go in. Then that should allow for some additional engineering, then, at that stage, once that product is identified and the community can have some buy-in, for lack of a better term.

The other thing is that reducing those match requirements, a lot of the small, rural communities, they stretch every dollar they have. When they are looking at this and they are looking at the match requirements to comply with that, it becomes difficult. Then they have to balance out where their priorities lie within the financial capabilities of that community.

Some of those projects get put on the shelf, then, at that point. Senator RICKETTS. [Presiding.] Yes, and that is not necessarily true for West Point, because West Point is really doing well, but what we see, is it fair to say in a lot of our rural communities we see that it as the younger people move away and you are left with declining population of older folks, that just adds to the complication of being able to get these water projects done?

Mr. GOULETTE. It does, and along with that is our aging work force. We see a lot of operators aging out, those are one and two-man operations. Once that legacy leaves that community, they are difficult to replace. That makes the challenge even more difficult to help sustain that community.

Senator RICKETTS. Again, is there something we can do in Congress to be able to help with some of those work force challenges?

Mr. GOULETTE. One of the things is the apprenticeship program that Senator Capito put in place a few years ago. We need to get that moving in Nebraska. We need to get that funding moving in Nebraska, we need to get an apprenticeship program and start that process to engage those communities and show them options, bring trained operators to the facilities.

Senator RICKETTS. Yes. Can you just give us briefly just how some of these Federal funding programs have made otherwise cost-prohibitive projects in small towns and rural communities possible?

Mr. GOULETTE. Yes, basically when you are looking at the projects themselves, you are looking at the market base on interest rates and that type of thing and the longevity, it makes it more economically feasible for those small communities. There is the grant basis that they also can qualify for, which also helps them.

Senator RICKETTS. Can you give me an example of a specific project off the top of your head?

Mr. GOULETTE. The easiest example right now is the city of West Point. We did the water project here a few years ago where we had a \$2.7 million water treatment plant. Of that \$2.7 million, \$553,000 of that was loan forgiveness. Then in addition to that was the 1.5 percent interest rate plus the administrative fee for the State.

It makes it very economically feasible to get those programs in place, rather than going out to the open market.

Senator RICKETTS. All right, great. Well, oh, we lost our Chair. I guess I am in charge on the Republican side now.

[Laughter.]

Senator RICKETTS. I am going to take a moment just to talk a little bit as well about an important project, not specifically related to drinking water, but access to water in general in our State is obviously important. We are the largest irrigating State in the Country.

I was just in Scotts Bluff last week, and the Gering-Fort Laramie Canal collapsed while I was Governor, and we worked to get some temporary repairs in place there. It is owned by the Bureau of Reclamation, but through a program they built the canal there 100 years ago, and when it collapsed, it cutoff about 55,000 acres of Nebraska farm land from getting irrigation water. That obviously is just huge for a State like Nebraska, where irrigation is big, but also agriculture is our biggest industry in the State.

We are going to be looking for opportunities to be able to have the Federal Government partner to be able to get the permanent repairs on that done, because right now it is operating at about 80 percent capacity. I was just talking to folks about it, again, just getting to this idea of like how expensive it is for these projects and how, with the drinking water and make it possible in West Point, but the cost it would be for those farmers to be able to pay the extra fees to be able to get those total repairs done would be really, really challenging.

That is another project, another example of how the Federal Government can help partner with States and local communities to be able to get these water projects done.

With that, Senator Schiff, you have already asked your questions, is that accurate or no?

Senator SCHIFF. I did, yes.

Senator RICKETTS. I see we have now Senator Blunt Rochester. We will turn it over to you.

Senator BLUNT ROCHESTER. Thank you, Mr. Chairman. Thank you to the witnesses. Sorry I am in between hearings. I think a lot of people are running around, so hopefully none of my questions have been asked.

I really do believe this is such a critical hearing, particularly building on the successes of IIJA and I am grateful that we are also focusing specifically on water infrastructure. Many people might not know that Delaware, even though we are a small State, we are actually urban, suburban, rural and coastal. Our water issues are very much a microcosm of the Country.

In Delaware, we were really pleased, particularly for our rural communities to have places like Seaford, Delaware, where they were awarded a \$2.1 million loan from IIJA to replace a 70-year old drinking water main line containing lead components. It has been critical to our communities, because of the removal of lead, the reduction of PFAS in drinking water, and also helping make water more affordable for families.

My first question is for Mr. Goulette. I understand that many water systems in your association serve fewer than 10,000 people. Can you speak to how critical IIJA's infusion of Federal funding is to small systems?

Mr. GOULETTE. Yes, thank you for that. Basically it helps with the geographic isolation of the communities. That is one of the keys with the small, rural systems. We have people physically going out and providing help and technical assistance.

Once we get out there, we can expose them to the IIJA capabilities and what they can do for the communities. They have somebody that they can lean on to followup and put those programs into place for those small systems. That is the key.

Senator BLUNT ROCHESTER. I heard you mention work force. I think that is key as well, and the idea of apprenticeships and would love to followup with you after the hearing specifically on that issue.

Now I would like to switch to lead service lines. As some of my colleagues have noted, the replacement of lead service lines are major projects that the public may not be aware of. I think a lot

of times people just hear lead in pipes, and they think of the pipes in their home.

These are pipes that are often deep under the property of a person's home or a roadway, and it requires excavation of streets and land to replace. These are expensive projects.

Mr. Oswald, based on your experience with the State of Michigan, how has IIJA funding helped accelerate the pace of lead service line replacement projects compared to pre-IIJA funding levels?

Mr. OSWALD. IIJA BIL funding has been instrumental. We would not have a ghost of a chance at getting lead service lines out of the inventory without it, if we were just relying on State funds and ratepayer funds.

Again, the cost of lead service line replacement is not cheap. You are talking about \$10,000 per lead service line. It is incredibly expensive. Without the Federal funds to get through this, and it is a one-time cost, that is the nice thing about it. Once we get rid of those, they are out of the system. We just have to buckle down and get them out of the system, and then move to other things.

Yes, the BIL funding, we are not going to get to our goal. In Michigan, we want to be lead-free by 2037. We are not going to get there without cooperative federalism and cooperation between the State, the locals, and the Federal Government. Just will not happen.

Senator BLUNT ROCHESTER. Yes, and I think that cooperation also makes me think of the ultimate goal of healthy families as well.

I am going to turn now to Ms. Dreyfuss-Wells. The National Association of Clean Water Agencies are strong advocates for water infrastructure dollars that support households struggling to make ends meet and avoid disconnection. I was able to get a program to address water affordability authorized in the IIJA. The study that I pushed for EPA to complete found that nearly 19 million households have trouble affording clean water. For families experiencing poverty, being able to afford the nationwide average of \$42 a month for water utilities can be a struggle.

Can you discuss how the inability for customers to pay for water bills actually hurts the ability of utilities to serve the communities they are in?

Ms. DREYFUSS-WELLS. Thank you, Senator. That is exactly right. The goal of any utility provider on water, wastewater, stormwater side is to make sure that you are bringing all of your customers along with you. Having the Low-Income Households Water Assistance program there to help folks pay some of those bills is very important.

Then also making sure that your own utility has a focus on that customer service, bringing your customers so that they can apply for and receive that assistance that is available. It is something that we are very focused on at the National Association and very focused on at the Sewer District.

Senator BLUNT ROCHESTER. Great. Thank you so much.

I have other questions I will submit for the record, but thank you, and I yield back.

Senator CAPITO. [Presiding.] Thank you. Senator Ricketts, did you have another question, or are you good?

Okay. I think we are all good. As I said, if is very busy here on Capitol Hill. Some folks had intended to come, I am sure you will hear from them.

With no further questions, I want to thank the witnesses and all my colleagues for their participation in todays hearing. I really look forward to writing the Drinking Water and Wastewater Infrastructure Act (DWWIA), bill coming up. I think we are starting early.

I think that is the smart way to do it. We could not do it without you all helping us. I really appreciate this.

Senators who wish to submit written questions for the record have until 5 p.m. on Wednesday, May 14th to do so. The witnesses' responses to those questions are due back to the committee no later than 5 p.m. on Wednesday, May 28th. They will be submitted for the record.

With that, this hearing is adjourned, and thank you all very much.

[Whereupon, at 11:17 a.m., the hearing was adjourned.]



LEADERS IN WATER

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April 30, 2025

The Honorable Shelley Moore Capito
Chairman
Committee on Environment
and Public Works
United States Senate
Washington, DC 20510

The Honorable Sheldon Whitehouse
Ranking Member
Committee on Environment
and Public Works
United States Senate
Washington, DC 20510

Chair Capito and Ranking Member Whitehouse,

Thank you for the opportunity to submit a statement for the record on the Senate Environment and Public Works Committee hearing “Building on the IIJA’s Successes: Identifying Opportunities to Strengthen Water Infrastructure Programs.” This committee’s work to reauthorize the Infrastructure Investment and Jobs Act (IIJA) and examine the funding distributed through IIJA is of critical importance. The dollars appropriated through IIJA to support water infrastructure investments have been transformational for AMWA member utilities across the country.

AMWA is comprised of the nation’s largest publicly owned drinking water systems. AMWA’s members collectively serve more than 160 million Americans from coast to coast with clean, affordable drinking water. AMWA worked with members of this committee to develop the legislation that became the Drinking Water and Wastewater Infrastructure Act (DWWIA) and strongly supported the bill in 2021 when it passed the Senate with overwhelming support. It was subsequently incorporated into IIJA, establishing a number of programs directed at addressing the current challenges facing our drinking water and wastewater sectors. Passage of IIJA was one of Congress’ landmark infrastructure achievements and provided overdue relief for drinking water utilities that have had years of deferred infrastructure funding needs. However, many of the key water infrastructure programs authorized through that legislation are scheduled to expire at the end of the 2026 fiscal year, so AMWA is eager to work with the committee in the coming

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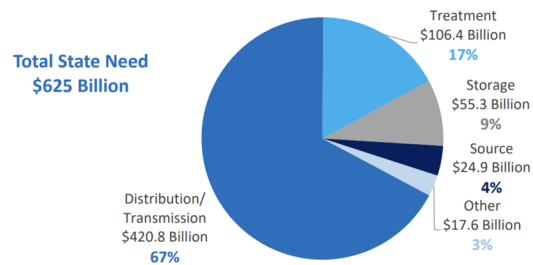
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months to reauthorize these programs so they can continue to support critical investments in the nation's water infrastructure.

Drinking Water Sector Needs: The Case for IIJA

In addition to the key EPA program authorizations included within IIJA, the legislation also delivered the single largest investment ever in U.S. water infrastructure, allocating nearly \$50 billion in supplemental water infrastructure funding. This funding came at a pivotal moment, as the most recent data from the EPA's 7th Drinking Water Infrastructure Needs Survey and Assessment (DWINSAs) shows that the drinking water sector has a \$625 billion capital improvement need over the next 20 years to maintain current levels of service.¹ Accounting for inflation, this is a 14 percent increase in need over the previous DWINSAs survey results from 2015. This signals that investments in drinking water are not keeping pace with the need, and that over time the gap between the needs and investments has been growing. The below chart shows a breakdown of the percentage of need by infrastructure project category.

Exhibit 1.2: Total 20-year State Need by Infrastructure Project Category (in billions; January 2021 dollars)



Source: EPA 7th Drinking Water Infrastructure Needs Survey and Assessment

Distribution and transmission make up the majority of funding needs, at about 67 percent of all infrastructure needs, or \$420 billion over the next 20 years. This includes raw water transmission, finished water transmission, and distribution mains—the primary pipes that carry water from a treatment plant to a distribution network, and then distribute water throughout a

¹ https://www.epa.gov/system/files/documents/2023-09/Seventh%20DWINSAs_September2023_Final.pdf

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community. Water treatment makes up the second largest cost at 17 percent of all infrastructure needs, or \$106 billion.

Many of AMWA's drinking water utilities are conducting ongoing work to expand their facilities in order to accommodate increased demand for drinking water. This is in part due to population growth and shifts in population dispersal across the country. Simultaneously, freshwater supplies have become increasingly burdened over time. A combination of a growing population, changing precipitation patterns, and increasing water usage from agriculture and manufacturing sectors have put additional stress on freshwater supplies.² Many water utilities rely on a combination of surface water and groundwater to supply households, so as other industries like agriculture have been using increasing amounts of groundwater, this stresses the overall availability for the drinking water sector. Meanwhile, decreased overall precipitation and other factors has led to drying out aquifers, especially in western parts of the country.³

In addition to this, many water systems are operating infrastructure that is facing the end of its useful life, including pipes, storage tanks, and treatment plants. The need for routine replacement and rehabilitation projects is not novel, as a report from more than 20 years ago stated that water systems were then entering "the replacement era."⁴ Estimates show that the useful life of transmission lines and distribution mains ranges from 35 to 40 years.⁵ Given that the majority of the nation's transmission and distribution systems were constructed after the 1960s, now is the time to accelerate efforts to replace this essential infrastructure.

Breakdown of IJA Funding for Drinking Water

Drinking water is one of the most important resources for a thriving society and economy. AMWA's member utilities are tasked with providing safe, clean, and affordable drinking water to all households in order to uphold public health. Considering the strains on drinking water systems such as funding, failing infrastructure, and water supply concerns, utilities' ability to provide safe, clean, and affordable drinking water has become increasingly difficult. IJA provided relief by injecting the first substantial investment into drinking water infrastructure in our country's history.

² <https://www.ncefsa.org/story/water/increasing-demand-and-decreasing-supply-water>

³ <https://www.nytimes.com/interactive/2023/08/28/climate/groundwater-drying-climate-change.html>

⁴ American Water Works Association, *Dawn of the Replacement Era: Reinvesting in Drinking Water Infrastructure*, Denver, CO, May 2001.

⁵ EPA, *Asset Management: A Handbook for Small Water Systems*, EPA 816-R-21-006, Washington, DC, April 2022.

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IIJA appropriated roughly \$50 billion in new spending for drinking water and wastewater infrastructure programs over five years, primarily through the Drinking Water and Clean Water State Revolving Funds. For drinking water, this sum includes:

- \$11.713 billion for essential drinking water infrastructure projects funded through the DWSRF, like money for treatment plants, filtration systems, and distribution infrastructure.
- \$15 billion over five years for lead service line replacement projects and associated activities, like carrying out required lead service line inventories that tell communities the exact location of these outdated lead pipes.
- \$9 billion to address per-and polyfluoroalkyl substances, or PFAS, and other emerging drinking water contaminants, including \$5 billion dedicated to supporting these efforts in small and disadvantaged communities. The funds will support the installation of advanced contaminant detection and water treatment technologies to help drinking water systems comply with new federal drinking water regulations for PFAS that are expected to be proposed later this year.

In addition to these drinking water programs, the law appropriated another \$11.713 billion for wastewater infrastructure projects through the Clean Water SRF and \$1 billion to help wastewater systems address their emerging contaminant challenges.

DWWIA Programs Included in IIJA

In addition to the historic infrastructure investments from IIJA, the law also included more than a dozen new authorizations and reauthorizations for targeted programs that will help water systems address a range of pressing challenges. From addressing resilience to flooding, water supply concerns, or lead service line replacements, these program authorizations were all part of the original DWWIA legislation that passed the Senate in 2021 by a vote of 89 - 2.⁶ The entire DWWIA text was later incorporated into IIJA before becoming law. As the committee examines the benefits of these programs, AMWA strongly supports their reauthorization as well as funding them at their fully authorized levels.

⁶ https://www.senate.gov/legislative/LIS/roll_votes/vote1171/vote_117_1_00178.htm

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Drinking Water System Resilience

During development of DWWIA AMWA worked with the committee to develop the Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program (authorized in Section 1459F of the Safe Drinking Water Act), which was authorized in the statute at \$250 million over five years. This program will help drinking water systems prepare to withstand the effects of natural disasters, severe floods, drought, and security concerns like cyber threats. Establishing this source of dedicated funding to help all drinking water systems address these challenges has been one of AMWA's top long-term priorities. However, while Congress has begun to appropriate funding to the program, EPA has fallen behind schedule in making the funds available to communities. We understand that the agency is expected to release its first notice of funding opportunity in the coming weeks, finally enabling water systems to begin to consider how the program could help them secure needed dollars for cybersecurity and resilience projects. AMWA strongly recommends prioritizing the continuation of this program and funding it at a level that will enable drinking water utilities to make significant improvements to overall resilience.

This program holds the potential to supplement ongoing efforts by AMWA members to mitigate the impacts of natural disasters, more frequent flooding, water supply concerns, and cyber attacks. In Oregon, Hillsboro Water is installing resilient water supply capacity to accommodate future population growth, and seismic resilient upgrades to mitigate impacts from earthquakes. In 2024, an AMWA utility reached out for assistance with improving their cyber response after they were a victim of a ransomware attack. The EPA's infrastructure resilience program is a critical tool for utilities to address these wide-ranging challenges, from security concerns to natural disaster impacts, that are only growing for the water sector.

Addressing Lead Service Lines

In addition to the five-year, \$15 billion supplemental appropriation for lead service line replacement activities provided to states via the DWSRF, the IIJA also reauthorized a key competitive grant program at EPA to further protect public health and drinking water from lead contamination. Originally established with AMWA's support, the Reducing Lead in Drinking Water grant program (Section 1459B of the Safe Drinking Water Act) was authorized at \$500 million over five years and is making strides to help disadvantaged communities ensure their water is safe to drink. To date, over \$37 million in grant funding has been awarded to six different communities, including water systems in Rhode Island, Michigan, and New Jersey.⁷

⁷ <https://www.epa.gov/dwcapcity/wiin-grant-reducing-lead-drinking-water>

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While these funds are critical to supplement the \$15 billion allocated through the DWSRF, the program has not been funded close to its authorized amount. There is a great need for a competitive grant program focused on disadvantaged communities outside of the DWSRF formula funding allocation of lead service line money. To start, \$15 billion is only a small portion of the needed \$90 billion estimated total to remove all lead service lines across the country. Because certain states have much higher numbers of lead service lines than others, these dollars do not go as far, and many communities have still been left without federal assistance. As community water systems face a 2037 deadline to replace all lead service lines under EPA's Lead and Copper Rule Improvements, many utilities will need additional federal assistance in order to complete lead service line replacements, which are both costly and time consuming.

IJJA Success Stories

Many of AMWA's members have benefited greatly from the investments in water infrastructure made by the IJJA. Pittsburgh Water and Sewer Authority (PWSA), an AMWA member, is an example of how targeted investments in water utilities' most pressing challenges can both modernize failing systems and simultaneously address potential contaminants, like lead service lines. PWSA is currently on track to replace all lead service lines by 2027, with 12,000 of an estimated 17,000 identified lead service lines replaced so far.

PWSA has received \$176 million from IJJA to date, much of which has been in the form of lead service line replacement grants and low-interest loans. PWSA's overarching goal was to replace lead lines first in neighborhoods where they posed an exacerbated risk, so they developed a prioritization model based on census tract data. This criteria included communities with children under age six, people with elevated blood lead levels, households below certain income levels, and the number of service lines with lead and unknown material.⁸ Important to their success with lead service line replacements, PWSA has a strong partner in Pennsylvania Infrastructure Investment Authority (PENNVEST), a state-run financing authority that provides low-cost financing for water, wastewater, and stormwater projects.

Another example of how IJJA funding is revitalizing aging water systems is the Albany Water Board's \$3.1 million grant for their comprehensive water improvement plan, which is comprised of water treatment, transmission, and distribution assets, as well as wastewater collection, conveyance, and satellite treatment facilities. The IJJA funding is specifically for the rehabilitation of a water filtration plant, including an aeration building and mixing basins, and a

⁸ <https://www.pgh2o.com/news-events/news/press-release/2024-06-06-pwsa-invest-601-million-water-main-and-lead-service-line>

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new maintenance building. It will allow Albany to make the necessary upgrades to maintain its current level of service in the coming years.

The Suffolk County Water Authority (SCWA) on Long Island received \$1.85 million in funding from IIJA for emerging contaminants, specifically to expand access to high quality public water for homes currently supplied by private wells that have been impacted by PFAS contamination. Approximately 25,000 people in Suffolk County rely on private wells to supply drinking water to their homes. Many of those wells have been impacted by PFAS, which is present in Long Island's sole source aquifer. The cost to extend the water main to serve homes in remote areas can be prohibitive to residents, so federal funding from IIJA has allowed these families access to high quality drinking water that is meeting or surpassing state and federal standards for PFAS. A community in Calverton, where 92 homes are slated to be connected thanks to IIJA funding, had PFAS detections in some private wells as high as 18 times the state standard.

Lastly, IIJA's reauthorization of the WIFIA program is crucial for AMWA members, and water and wastewater systems nationwide. WIFIA is necessary for large utilities that otherwise would face higher borrowing costs to finance large-scale projects requiring massive amounts of upfront capital. There are countless examples of AMWA members that have received WIFIA grants for necessary overhauls, all of which have expanded the utilities' capacity, upgraded to modern technologies, and created economic development opportunities.

For example, in July 2024 Toho Water Authority received a \$292.7 million WIFIA loan under which two tranches would fund alternative potable and non-potable water supply sources to offset groundwater demands. Additionally, the authority will complete treatment upgrades, expansion of multiple water treatment facilities, and a series of water main and pump station installations to improve potable and non-potable water distribution within the service area. The first tranche was funded in July 2024 in the amount of \$188.3 million and the second and final tranche in the amount of \$104.4 million is expected to be funded in the summer of 2025. This project will save Toho Water Authority \$47 million by financing through WIFIA, increase water supply resilience, and reduce reliance on groundwater in order to meet future customer demand.

Recommendations

In addition to reauthorizing these essential water infrastructure programs, AMWA urges the committee to use this opportunity to make several targeted policy reforms that will make them even more effective to the nation's water and wastewater systems.

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WIFIA Non-Subordination

Reauthorization of IJA presents an opportunity to amend the non-subordination clause in WIFIA's authorizing language, which can have the effect of increasing the cost of other debt taken out by community water systems.

Under current law, a WIFIA loan from the federal government may not be subordinated to any other debt obligations—meaning WIFIA debts must be paid back before any other existing debt. Although intended to protect investments from the federal government, this provision makes it more difficult for large water and wastewater utilities, with complex debt portfolios, to maximize savings. When water and wastewater systems must put off paying debt with higher interest in order to pay off WIFIA loans first, it increases costs, thus canceling out some of the benefits of WIFIA's lower borrowing costs.

Other similar programs, like the Transportation Infrastructure Finance and Innovation Act (TIFIA) program, have more flexibility built into the terms of debt repayment. Amendments to align WIFIA requirements with TIFIA requirements would create exceptions for this non-subordination requirement in cases where the borrower is a public sector entity, has "A" rated credit, or if the loan isn't dependent on revenue from the project. This would open the program up to more participation from utilities, offer increased flexibility from reliable borrowers that can be trusted to pay back the loans, and allow communities to finance their entire debt portfolio as cost-effectively as possible.

Expediting Grant Funding

While IJA took important steps in authorizing the Reducing Lead in Drinking Water grant program and the Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program, both have been underfunded relative to their authorized levels and slow to get the money out the door. The lead program is authorized at \$100 million per year, but EPA has only awarded \$38 million to six communities since 2020. The resilience program is currently waiting for its first notice of funding opportunity to be announced. These resources are much needed for the sector, but EPA needs to get the programs up and running more efficiently to get money out to grant awardees. More oversight of the agency is necessary to ensure these programs get appropriated funding to community water systems as quickly and efficiently as possible.

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Conclusion

AMWA appreciates the committee's ongoing commitment to water infrastructure and supports the extension of water infrastructure programs authorized through IIJA. As drinking water utilities prepare to comply with costly regulatory requirements while maintaining affordable service, and water bills continue to outpace inflation, there is a clear need for sustained investments that will deliver long-term economic impact to communities.

Again, AMWA appreciates the opportunity to submit this statement for the record of today's hearing. Thank you, and AMWA and its members are eager to continue to work with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Dobbins", with a stylized flourish at the end.

Tom Dobbins
Chief Executive Officer



May 13, 2025

The Honorable Shelley Moore Capito
 Chairwoman
 Committee on Environment and Public Works
 U.S. Senate
 Washington, D.C. 20510

The Honorable Sheldon Whitehouse
 Ranking Member
 Committee on Environment and Public Works
 U.S. Senate
 Washington, D.C. 20510

Dear Chairwoman Capito and Ranking Member Whitehouse:

On behalf of the California Association of Sanitation Agencies (CASA), we write to provide our perspective related to the Committee's recent hearing entitled "[Building on the IJIA's Successes: Identifying Opportunities to Strengthen Water Infrastructure Programs](#)" on April 30, 2025. CASA represents more than 135 local public agencies engaged in the collection, treatment and recycling of wastewater and biosolids 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 request that this letter be entered into the Committee's formal hearing record.

The hearing emphasized the critical investments the Infrastructure Investment and Jobs Act (IIJA) has made to support the nation's water sector, and underscored the importance that these programs are reauthorized prior to the IIJA's expiration next year. Today's clean water agencies face a myriad of complicated and interrelated challenges. This includes increasingly complex treatment requirements to manage new and emerging contaminants, ensuring affordable services for all communities, and upgrading antiquated infrastructure systems that have outlived their intended lifespan.

The IIJA's water assistance programs have helped utilities face these challenges. A robust and sustained federal investment in the nation's clean water sector is crucial to ensuring utilities can make these necessary investments, provide reliable, safe and affordable water supplies, and become systems capable of responding to our 21st century water challenges. CASA supports the committee's focus to reauthorize these critical programs.

CASA is grateful for the committee's focus to reauthorize the IIJA's water assistance programs. Thank you for the continued commitment to supporting a resilient clean water sector and the opportunity to provide comments.

Sincerely,

Adam D. Link
 Executive Director

April 29, 2025

Senate Committee on Environment and Public Works
410 Dirksen Senate Office Building
Washington, D.C. 20510

RE: Hearings to Examine Opportunities to Strengthen Water Infrastructure Programs, Focusing on the IIJA's Successes

To the Honorable Members of the Committee:

Community Water Center (CWC) would like to provide comments on the Senate Environment and Public Works Committee hearing on April 29, 2025 regarding opportunities to strengthen water infrastructure programs funded by the Infrastructure Investment and Jobs Act (IIJA). As a community-based organization, we work alongside affected farmworker communities in California to secure safe, clean, and affordable water. Small and rural systems continue to face major challenges including failing infrastructure, contamination and lack of access to funding for long-term drinking water solutions. We urge the committee to acknowledge the continued need for federal support to complete critical work in our communities. We also recommend that Congress explores what funding is needed for systems to provide safe and affordable water for all Americans, with a focus on improving the process for small and rural communities—similar to the SAFER Program in California (see below).

The State of California was able to invest \$2.56 billion of IIJA funding in drinking water and wastewater projects.¹ This funding was able to supplement much-needed resources for critical infrastructure projects, including upgrades to failing or at-risk of failing water systems, contamination treatment, and support for domestic well owners. Additionally, IIJA investments provided to the Bureau of Reclamation totaled \$8.3 billion for water infrastructure projects across the Western region.² Federal funding supported states in going beyond local technical and financial capacity to support critical water infrastructure projects on-the-ground. Even with historic investments, California still requires at least \$11.5 billion in investment to provide every community with clean and safe water.³

Despite major successes, small and rural systems continue to face infrastructure challenges that require continued federal investments beyond the down payment provided by the IIJA. Rural communities are geographically isolated and require long-term planning and project implementation. Much of these communities are served by systems that are long past-due for infrastructure upgrades, technical and financial capacity-building, and contamination treatment or alternatives. Ratepayers in rural communities often are forced to bear the costs of smaller systems working to implement infrastructure upgrades, resulting in higher water bills. Residents are continuing to pay twice for water—once for contaminated tap water for rates beyond \$200 per month, and again for treatment filters and bottled water supplies.⁴ Many of these communities simply cannot operate with the increasing challenges facing the water sector, much less develop a long-term solution and move it through the federal funding process.

¹ <https://build.ca.gov/ijja-by-the-numbers>

² <https://www.usbr.gov/bil/index.html>

³ <https://www.latimes.com/environment/story/2024-06-26/california-clean-water-solutions-will-cost-11-5-billion>

⁴ <https://www.latimes.com/california/story/2022-10-24/millions-of-californians-are-struggling-to-pay-for-water>

We recommend that the Committee consider the critical role that federal funding plays in ensuring that small and rural systems do not fall behind in maintaining crucial infrastructure to provide households with clean, safe and affordable water. The State Revolving Funds (SRFs) must be continually funded beyond IJIA investments as it is the most cost-effective solution for utilities to secure funding. Additionally, communities served by small and rural systems must be able to access streamlined federal funding processes to allow for communities to develop the solution that meets their needs.

Small and rural systems typically do not have the capacity to maintain operations and maintenance (O&M) costs beyond initial investments. We urge this Committee to recognize that federal funding can greatly support small and rural systems in long-term improvements, thus reducing infrastructure costs over time. While we recognize that O&M is not historically federally funded, it would provide much-needed resources to systems that are continually falling behind on upgrades and infrastructure replacements.

Finally, we recommend that the Committee consider the successes of California's Safe and Affordable Funding for Equity and Resilience (SAFER). The SAFER program has provided critical resources to the state's most under-resourced communities, especially in rural areas. Following its implementation in 2019, more than \$1 billion in grants has been provided to 900,000 Californians that now have access to clean, safe and affordable water.⁵ The SAFER program also prioritizes the need for community involvement and feedback in water project development, implementation and sustainability. Some of the hardest-hit communities have also been able to utilize SAFER funding to receive bottled water deliveries and emergency relief. SAFER also funds technical assistance to groups outside of water systems and beyond the scope of the SRFs that can help small and rural systems develop long-term solutions and apply for federal funding.

Recognizing the successes of the IJIA is only the first step in ensuring that communities across the country are able to receive long-term, sustainable support for water and sanitation infrastructure investments. We strongly urge the Committee to review these recommendations and are pleased to collaborate in the development of solutions not only for our communities, but for every community.

Thank you in advance.

Regards,



Celina Mahabir
Federal Policy Advocate,
Community Water Center

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<https://calepa.ca.gov/2024/07/22/press-release-since-launch-of-landmark-state-program-900000-more-californians-have-access-to-safe-affordable-drinking-water/?utm>