



ASSOCIATION OF
METROPOLITAN
WATER AGENCIES

MID-YEAR ADVOCACY REPORT



AUGUST 2024

www.amwa.net

LETTER FROM THE CEO

Dear AMWA Members,

The first seven months of 2024 have been extremely busy in the water policy arena, with federal lawmakers and regulators focusing on issues ranging from PFAS standards to low-income water assistance to cybersecurity preparedness to implementation of climate resilience initiatives, just to name a few.

Guided by the association's [policy priorities](#) for the year, and with regular input and assistance from AMWA member utilities, AMWA's Policy Team of [Dan Hartnett](#), [Jessica Evans](#), [Kaline Gabriel](#), and [Bebe Schaefer](#) have been hard at work representing the association's interests on Capitol Hill and before EPA and other federal agencies. This update provides a snapshot of where we stand on our major policy topics today, and what we see coming in the months ahead.

However, our effectiveness depends on the guidance, experience, and expertise of our member utilities. Your utility is encouraged to get involved in support of AMWA's advocacy efforts – whether by writing to members of Congress, participating in meetings with congressional staff, or offering your perspectives to strengthen the association's regulatory comments. As I often like to say, "All of us are stronger than any of us."

If you are already partaking in these efforts to support AMWA's advocacy initiatives, thank you. If you are not, we would love to have you join us! Please reach out to myself or anyone on the team to get started.



**TOM
DOBBINS**

Chief Executive Officer



ADDRESSING LEAD SERVICE LINES

In February, AMWA provided comments on EPA's proposed revisions to the National Primary Drinking Water Regulation (NPDWR) for lead and copper, also known as the Lead and Copper Rule Improvements (LCRI). EPA promulgated the LCR Revisions (LCRR) in January of 2021, and subsequently announced its intent to further revise the rule prior to the October 16, 2024, compliance date. These proposed revisions ultimately became known as the LCRI. AMWA's comments included several suggestions for how the proposed rule could be improved upon.

AMWA pursued additional avenues of promoting AMWA member insights on the LCRI, including engaging EPA on LCRI in verbal comments and highlighting member concerns in direct meetings with EPA officials.

On Capitol Hill, AMWA continues to build support for the **Financing Lead Out of Water (FLOW) Act (H.R. 1407/S. 726)**, which would cut IRS red tape that makes it more time and cost-intensive for public water systems to issue tax-exempt bonds to pay for full lead service line replacements. As of late July the measure had attracted 28 bipartisan cosponsors in the House, plus an additional seven cosponsors in the Senate. AMWA is working with congressional supporters to position the bill for inclusion in broader tax legislation that lawmakers could consider after the 119th Congress kicks off next year.

AMWA has endorsed **17** bills in the 118th Congress and sent **13** letters to lawmakers this year



LOW-INCOME WATER AFFORDABILITY

With the federal Low Income Household Water Assistance Program (LIHWAP) expiring in 2023, AMWA has focused on building support in Congress for continuing the program. Working through the Water Affordability Coalition (organized by AMWA in partnership with AWWA, WEF, NACWA, and NAWC), AMWA secured the introduction of House and Senate bills that would formally authorize LIHWAP for the coming years.

Throughout the year AMWA has held bi-monthly meetings with Health and Human Services (HHS) LIHWAP staff to stay updated on the program's operations. AMWA also engaged the Office of Management and Budget (OMB) to advocate for LIHWAP funding in the President's budget requests for FY25 and FY26.

Meeting with Rep. Lori Chavez-DeRemer (R-Ore.)



A key aspect of our continued advocacy for LIHWAP is stakeholder engagement. Last year, AMWA led a letter to Congress to support FY24 bridge funding for the program. The letter was signed by over 150 stakeholders, including water utilities, environmental NGOs, labor unions, public health advocates, and public interest groups. Senator Alex Padilla (D-Calif.) has cited this letter to demonstrate broad stakeholder support for the program. Additionally, AMWA has engaged with energy utility associations, tribal associations, the Chamber of Commerce, the U.S. Council of Mayors, and State Public Utility Commissions to secure support for continuing LIHWAP in the years ahead.

LIHWAP has proven to be a crucial lifeline for utilities and ratepayers alike. AMWA is dedicated to making the program a permanent fixture in the social safety net.



Senate LIHWAP Legislation: S. 3830, the "LIHWAP Establishment Act." Sponsored by Senator Alex Padilla (D-Calif.)

House LIHWAP Legislation H.R. 8032, the "LIHWAP Establishment Act." Sponsored by Representatives Eric Sorensen (D-III.) and Lori Chavez-DeRemer (R-Ore.).



AS OF JULY 2024, AMWA HELD:

157

meetings with congressional staff

9

meetings with Members of Congress

35

Hill meetings with an AMWA member present





CYBER SECURITY OVERSIGHT

Policymakers on Capitol Hill and in the Biden Administration continue to show an interest in taking steps to strengthen critical infrastructure cybersecurity, including at the nation's water systems. Throughout 2024, AMWA has maintained its place as an active participant in these discussions, with a willingness to put creative ideas on the table.

In January, AMWA member Scott Dewhirst, then-Superintendent of Tacoma Water, provided testimony before a House subcommittee during a hearing titled "Ensuring the Cybersecurity of America's Drinking Water Systems." Dewhirst emphasized the vital role of the Water Information Sharing and Analysis Center – or WaterISAC – urging Congress to consider it a key resource as cybersecurity challenges in the water sector continue to grow. Additionally, Dewhirst met with Representative Kim Schrier (D-Wash.) to further underscore the importance of bolstering cybersecurity for water utilities nationwide.

AMWA continues to support legislation to help water systems build protections against threats, both cyber and otherwise. **The "Water System Threat Preparedness and Resilience Act" (S. 660/H.R. 1367)** sponsored by Senator Ed Markey (D-Mass.) and Representative Jan Schakowsky (D-Ill.) would create a targeted EPA program designed to encourage eligible entities to participate in WaterISAC,

and would allow EPA to offset costs incurred by community water systems and treatment works associated with maintaining or initiating WaterISAC memberships. The proposal also directs the EPA to collaborate with WaterISAC on incident data collection and threat analysis for the water sector. AMWA has been working with the relevant committees to integrate this bill into a broader legislative package.

In addition to promoting membership in WaterISAC, this year AMWA came out in support of **H.R. 7922, the "Water Risk and Resilience Organization (WRRO) Establishment Act,"** sponsored by Rep. Rick Crawford (R-Ark.). This new legislation would direct EPA to certify a Water Risk and Resilience Organization composed of experts in cybersecurity and water system operations. The WRRO would be responsible for developing appropriate risk-based cybersecurity requirements and implementation plans for the nation's water systems. EPA would collaborate with the WRRO to approve cyber requirements that are just and reasonable – thus raising the baseline of cyber preparedness for water systems nationwide. AMWA will continue to advocate for this and other approaches to increasing cyber preparedness without layering excessive new regulatory burdens on water systems.



CYBER INCIDENT REPORTING REGULATIONS

In June, AMWA developed comments in response to the proposed “Cyber Incident Reporting for Critical Infrastructure (CIRCA) Reporting Requirements” rule developed by the Cybersecurity and Infrastructure Security Agency (CISA). The proposed rule included requirements for water systems and other critical infrastructure entities to report major cyber incidents and intrusions to CISA, but AMWA identified several areas where the proposal could be improved. These comments, cosigned by four other water-sector trade associations, endorsed the objective of information sharing between sectors but identified inconsistencies in the proposed mandates that would require water systems to report cyber incidents to the federal government while CISA acknowledged that Congress made the rule unenforceable against public entities. AMWA continues to support all water systems leveraging WaterISAC in its information-sharing capacity.

Scott Dewhirst of Tacoma Water testifies on Capitol Hill.



**AMWA is
tracking**

17

**proposed or
anticipated
federal
regulations
from EPA,
DHS, HHS,
and DOL**





MDBP working group meeting



MDBP RULE REVISIONS

AMWA remains heavily involved in the Microbial and Disinfection Byproduct (MDBP) Rule Revisions process. MDBPs are being considered for revisions based on results from EPA's third Six-Year Review. In December 2023, AMWA Member Rosemary Menard of the Santa Cruz Water Department contributed to final recommendations made by the National Drinking Water Advisory Council (NDWAC), to EPA on proposed updates.

Recognizing that AMWA and other NDWAC members had additional concerns about MDBPs that were not fully addressed in the recommendations, AMWA proactively partnered with ASDWA and AWWA for a series of working group sessions throughout June and July. The goal was to provide additional recommendations to EPA that highlight areas where additional research is needed in advance of regulation.

These recommendations will be reviewed by AMWA's Regulatory Committee to ensure alignment and a supplemental recommendation letter will be developed to address concerns specific to AMWA members, and will be provided to EPA later in the summer.

AMWA also nominated a scientist with in-depth knowledge of the water industry to EPA's Scientific Advisory Board, which will review the quality and relevance of available scientific information being used as the basis for the proposed MDBP Rule Revisions.

Under the terms of a settlement agreement EPA has until July 31, 2025, to develop its proposed rule, unless the agency determines that the existing MDBP rules are no longer appropriate for revision. The final rule revisions are projected for February 2028.



PROMOTING SUSTAINABILITY AND CLIMATE CHANGE RESILIENCE ACROSS FEDERAL AGENCIES

One element of AMWA's advocacy strategy is ensuring water utilities understand their eligibility for Inflation Reduction Act (IRA) funding for clean energy efforts. One key element of the IRA allows for non-taxable entities, like many public water utilities, to receive direct payments for investments in and production of clean energy, which many water utilities have been doing for decades. This direct pay provision, described in Section 6147 of the IRA, will extend clean energy tax benefits to entities historically ineligible for them, including publicly owned drinking water utilities.

Because public water utilities have previously been unable to access tax credits, many are unfamiliar with how to take the proper steps to access these benefits. AMWA has therefore dedicated research time and attended three different IRS Office Hours sessions to ask questions and develop guidance for its members. The project, which is expected to end in December 2024, will culminate in step-by-step guidance and case studies for water utilities to understand how to access clean energy tax credits and incentives in the IRA. AMWA plans to host a webinar featuring a case study and the project's deliverables this coming winter.

AMWA continues to partner with others in the sector and federal government to provide water utilities with the information, financial support, and technical assistance necessary to implement and prioritize sustainability and resilience in their management and operations. Through July of 2024, AMWA has participated in four sector working groups on:

- 1 The intersection between climate and financial resilience;
- 2 Developing environmental, social, and governance guidance for water utilities;
- 3 Developing tools and guidance for water systems to demonstrate the importance of climate change adaptation in their capital planning; and
- 4 Understanding the impacts of reduced water demands on water utility finances.

These working groups will produce deliverables that will inform utility practices and associated federal guidance, resources, and assistance programs.

WATER INFRASTRUCTURE APPROPRIATIONS

One of AMWA's key priorities for 2024 is ensuring robust investment in federal water infrastructure funding programs. This year, EPA estimated that the nation's drinking water infrastructure will require \$625 billion of investment over the next 20 years just to maintain current levels of service. While much of these funding will come from the state and local level, the federal government has an important role to play. But in recent years the regular annual funding for the Drinking Water State Revolving Fund (DWSRF) has hovered around \$1 billion per year – only a fraction of the needed amount.

AMWA has consistently advocated for full funding of EPA water infrastructure programs in the 2024 and 2025 fiscal years, starting in February when the association led a coalition of six organizations to urge the appropriations committee to allocate robust funding for water infrastructure in FY24.

Additionally, AMWA signed a coalition letter with over two dozen organizations supporting full funding for the SRFs next year. And the association brought together a coalition of six organizations in writing to House and Senate appropriators to urge prioritizing water infrastructure in FY25, given the onset of new regulatory challenges facing the utility community.

Unfortunately, a tight budget environment in FY25 has caused appropriators to scour the spending bills for potential cuts. When a House Appropriations subcommittee released its draft FY25 EPA spending bill this summer, it carried a \$200 million cut to the DWSRF. In response, AMWA wrote to the full House Appropriations Committee to oppose these proposed cuts and urged the full committee to reconsider the low funding levels as the appropriations process plays out.

AMWA remains steadfast in its commitment to securing necessary federal funding for water infrastructure, and will persist in efforts to ensure that utilities receive the attention and resources they critically need. The association understands the immense challenges ahead but remains dedicated to alleviating the financial burden on local ratepayers and ensuring sustainable, safe drinking water for all communities.

2024 COMMENT LETTERS



EPA: 6



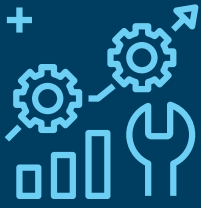
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DHS: 1



AMWA staff accompanies Tad Bohannon of Central Arkansas Water to EPA Headquarters




WATER SYSTEM RESTRUCTURING ASSESSMENT RULE

In July, AMWA finalized comments on EPA's proposed "Water System Restructuring Assessment Rule." This rule would require state primacy agencies to have in place a structure through which they could require public water systems to undertake a restructuring assessment to address chronic noncompliance. Importantly, the proposed rule would not mandate restructuring by a public water system but would provide states with the discretion to require an assessment.

AMWA offered extensive comments on the rule, emphasizing the need for all water systems that may be affected by consolidation plans to be involved in the assessment, and stressing the importance of including a due-diligence process. AMWA also highlighted the significant costs to public water systems associated with restructuring, and requested enhanced liability protections and increased enforcement relief for systems that agree to help non-compliant systems improve their operations.

These comments were developed with the guidance of a working group, engaging five AMWA members that had experience with this process.

AMWA members and staff met with EPA in July to further discuss these concerns, and to convey their experiences related to successful restructuring efforts and improvements in community health. AMWA plans to take advantage of similar engagement opportunities during future regulatory comment periods, and will again offer utility members the chance to take part. This will help ensure that any relevant circumstances or perspectives are shared in relation to future rules, and will provide regulatory agencies with additional context to buttress AMWA's submitted written comments.

A close-up photograph of a hand holding a clear glass under a chrome faucet. Water is flowing from the faucet into the glass. The background is a plain, light-colored wall.

So far in 2024, AMWA has worked to highlight the challenges and successes of member utilities by attending a total of

19 face-to-face meetings with EPA or other federal counterparts.

Of these 19 meetings, **three meetings** included AMWA Board members and other leaders highlighting their concerns about major EPA proposed rulemakings, including the Lead and Copper Rule Revisions, PFAS NPDWR, and the Water System Restructuring Assessment Rule

WATER POLICY CONFERENCE

AMWA's 2024 Water Policy Conference in March was one to remember, featuring sharp insights from policymakers and expert analysts who made sense of today's political dynamic for the more than 100 water utility officials in attendance.

Notable speakers included:



NORAH O'DONNELL

Award-winning journalist and anchor of CBS Evening News, surveying the political landscape



ALLAN LICHTMAN

Professor of History at American University, offering a preview of the 2024 election through his "13 Keys to the White House" formula



BRUNO PIGOTT

EPA Acting Assistant Administrator for Water, outlining the Biden Administration's 2024 water agenda

On the conference's final day, AMWA arranged for a small group of member utilities to meet with key congressional committee staff, including the Senate Appropriations Committee, the House Energy and Commerce Committee, and the Senate Environment and Public Works Committee. These meetings provided member utilities with an invaluable opportunity to gain insights directly from committee staff about their current legislative priorities and explore how AMWA can offer its perspectives.

Discussions covered critical topics such as securing full funding for the State Revolving Funds (SRFs), addressing PFAS CERCLA liability issues, and tackling water affordability challenges. These dialogues highlighted the direct impact of these priorities on the nation's water systems, thereby reinforcing the significance of AMWA's advocacy efforts.

By facilitating direct conversations between our members and key legislative staff, these meetings not only strengthened AMWA's relationship with committee staff but also provided a platform for member utilities to voice their experiences and concerns from the field. This direct engagement underscored the importance of the association's advocacy work and showcased the tangible benefits of collaborative policymaking.

AMWA plans to continue and expand this initiative in future Water Policy Conferences, and will aim to further enhance the association's advocacy impact and support for water policy initiatives that benefit our members and the communities they serve.

Clockwise from top left: Rep. Paul Tonko (D-N.Y.), Sen. Alex Padilla (D-Calif.), Sen. Shelley Moore Capito (R-W.Va.), and Rep. Lisa Blunt Rochester (D-Del.) address the Water Policy Conference.





Water Policy Conference attendees take to Capitol Hill

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“This was a great opportunity for me to advocate on behalf of the water utilities and give them feedback with what we deal with on a day to day basis. PFAS CERCLA liability was a large topic of conversation at all of the Hill meetings. I felt that all the meetings went very well and that both parties understand where the utilities are coming from and that biggest thing we need to do is educate our representatives of the issues that utilities deal with and how certain actions will effect the rate payers.”

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Matthew Jalbert,

Executive Manager,
Trinity River Authority of Texas



**AS OF JULY 2024, AMWA HELD 19
TOTAL MEETINGS AND WORKSHOPS
WITH FEDERAL OFFICES**

15

EPA Meetings and Workshops on
Proposed Rules and Implementation

2

IRS Office Hours on Clean Energy Direct Pay

1

Meeting with OMB to Discuss PFAS NPDWR

1

Meeting with FEMA's Office of Resilience

DRINKING WATER STANDARDS FOR PFAS

Last year, AMWA provided detailed comments to EPA, outlining concerns with the proposed National Primary Drinking Water Regulation for PFOA, PFOS, and several other chemicals in the PFAS family. Consistent with the association's advocacy in support of legislation to hold polluters accountable for costs associated with cleaning up environmental PFAS contamination, the comments also called for "polluter pays" principles in the drinking water standards.


The final National Primary Drinking Water Regulation that EPA released in June reflected several points highlighted in AMWA's advocacy, such as:

- 1 Extending public water systems' compliance timeline to 5 years, after feedback from members showed that projects of this scale require a longer timeline than 3 years initially proposed;
- 2 Setting the hazard index MCL at 1, rather than 1.0 as proposed, which will provide public water systems with a wider margin in measuring compliance with the standard;
- 3 Specifying that the hazard index MCL shall be calculated for two or more chemicals included in a mixture, rather than 1 or more. AMWA members specifically commented on this nuance during listening sessions.

However, despite these improvements AMWA still identified several strong concerns with the finalized rule. In response, in June AMWA's Board of Directors voted to join the American Water Works Association in filing a legal challenge to the regulation, asking a federal appeals court to review EPA's process for developing the rule to ensure consistency with the statutory requirements of the Safe Drinking Water Act. The case is likely to be resolved early in 2025.

Finally, following comments filed last year related to EPA's proposed "hazardous substance" designation for PFOA and PFOS, in April AMWA responded to EPA's proposed listing of nine specific PFAS as hazardous constituents under the Resource Conservation and Recovery Act (RCRA). AMWA supported the listing for these contaminants, but asked EPA to provide clarification on land disposal requirements for water treatment residuals and to clearly recognize that this listing would have a direct impact on water affordability.

Since 2022, EPA has proposed some of the most consequential SDWA rulemakings in years. AMWA has worked to bring member insights directly to those individuals developing rules, and has brought Board members and other leaders to highlight their concerns about major EPA proposed rulemakings, including the Lead and Copper Rule Revisions, PFAS NPDWR, and the Water System Restructuring Assessment rule.



Sen. Shelley Moore Capito (R-W.Va.) addressed the Water Policy Conference in March



PFAS LIABILITY PROTECTIONS UNDER CERCLA

AMWA continues to press Congress to advance legislation to shield water systems from CERCLA liability related to the legal disposal of water treatment byproducts containing PFAS.

Last year the association, working as part of the Water Coalition Against PFAS, which also includes AWWA, NACWA, WEF, NAWC, and NRW, secured introduction of Senate legislation to provide these critical liability protections. In 2024 AMWA and the coalition built on that progress by successfully recruiting Reps. John Curtis (R-Utah) and Marie Gluesenkamp Perez (D-Wash.) to sponsor a companion bill in the House of Representatives. Through the first seven months of 2024, AMWA had participated in dozens of meetings on the proposals to build support in each chamber and position the bill for inclusion in any larger, comprehensive PFAS legislation that Congress may consider before the end of the year.

In March, AMWA submitted a statement for the record of a Senate hearing on the topic, and urged Congress to approve legislation protecting drinking water systems from CERCLA liability related to environmental site cleanups of PFAS, following their proper disposal after removal during the drinking water treatment process. Following the hearing, Senator Shelley Moore Capito (R-W. Va.), ranking member of the Senate Environment and Public Works Committee, stated that she would not support a bipartisan PFAS package without CERCLA liability protections for passive receivers like water systems.

Later in the spring, AMWA participated in Capitol Hill meetings with key staff to the House Speaker and the House Majority Leader, respectively, to brief them on the details of the CERCLA liability issue and to encourage prompt House action on any related legislation that is sent over by the Senate. All of these efforts combined to raise the profile of the problem, and to raise the profile of AMWA as an organization working tirelessly toward a solution.



LOOKING AHEAD

After a busy year, Congress will soon begin to wind down ahead of the November elections. EPA and other federal agencies, however, will remain active in the coming months as they attempt to finalize key regulations before the end of the year. And once the outcome of the congressional and presidential races are decided, things are expected to quickly ramp up again early in 2025.

AMWA will continue to keep its member utilities informed of the latest advocacy activities and policy developments, and we urge all of our members to stay engaged with us by communicating with elected officials and taking the opportunity to participate on one of AMWA's committees. Please feel free to contact any [AMWA staff member](#) for information on how to get involved.