



ASSOCIATION OF
METROPOLITAN
WATER AGENCIES

SAFE, SECURE, AND AFFORDABLE: A DRINKING WATER AGENDA FOR 2025

A new Congress and a new administration in the White House present new opportunities to advance critical priorities to help maintain safe, secure, and affordable water service. AMWA encourages you to support these priorities to help us make progress in 2025:



**Make polluters pay to cleanup
PFAS**



**Help all Americans access affordable
drinking water**



**Fully fund EPA's water infrastructure
assistance programs**



**Preserve tax-exempt municipal
bonds**



**Support the FLOW Act to replace lead
service lines**



**Keep water systems secure by
expanding access to WaterISAC**



WHAT IS AMWA?

Founded in 1981, AMWA is the nation's only policy-making organization solely for metropolitan drinking water systems. Our members provide quality drinking water to more than 160 million people across the United States.



www.amwa.net



info@amwa.net



(202) 505-1565



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MAKE POLLUTERS PAY TO CLEANUP PFAS

In April 2024, the EPA designated PFOA and PFOS as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). While intended to hold polluters accountable for the cleanup of PFAS, this designation could expose water systems to environmental site cleanup liability. Utilities have been tasked with filtering PFAS out of water supplies and disposing of water treatment byproducts. Despite having no part in putting these chemicals in the water, this designation opens water utilities to potential liability for PFAS cleanup, which may be sought by polluters to defray cleanup costs.

In response, Reps. Marie Gluesenkamp Perez (D-Wash.) and Celeste Maloy (R-Utah) have introduced **H.R. 1267, the Water Systems PFAS Liability Protection Act of 2025**. The legislation ensures that drinking water and wastewater systems that properly dispose of water treatment byproducts containing PFAS can not be held liable for site cleanups under CERCLA—thus ensuring this responsibility remains with the actual polluters who introduced PFAS into the environment in the first place.



HOW DOES H.R. 1267 HOLD POLLUTERS ACCOUNTABLE?

-  CERCLA liability protections are only offered to public water systems and treatment works that dispose of PFAS in compliance with all applicable laws, during or following the water treatment process.
-  No liability protections are offered to entities that handle or release PFAS with gross negligence or willful misconduct.
-  Builds upon EPA's "enforcement discretion" policy by preventing polluters from suing water and wastewater systems under CERCLA to offset their own site cleanup liability.

AMWA urges House members to cosponsor H.R. 1267 today!

A Senate version of the PFAS Water Systems Liability Protection Act of 2025 is expected to be introduced in the coming months.



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HELP ALL AMERICANS ACCESS AFFORDABLE DRINKING WATER

Today, as many as 21 million households nationwide face challenges in paying their water bills. Aging water infrastructure, cybersecurity threats, and expanded regulatory mandates have contributed to the average residential water bill increasing almost 50% since 2010, and will continue to put additional upward pressure on water rates in the coming years.

Yet, there is no permanent federal assistance program to help working class households pay for water, despite the fact that similar programs exist for energy and housing costs. **That is why Congress should reauthorize the Low-Income Household Water Assistance Program (LIHWAP).**



HOW DID LIHWAP PROMOTE WATER AFFORDABILITY?

Congress established LIHWAP in 2021 to help low-income households pay for essential water services, but the program has since expired. According to HHS, over two years LIHWAP served over 1.5 million households nationwide, including by:

- ✓ Preventing 923,583 disconnections
- ✓ Restoring water services 101,687 times
- ✓ Reducing 1,120,417 water bills

Furthermore, data shows that benefits went to households that needed them the most; 59% of households had incomes at or below 75% of the federal poverty level.

In the 118th Congress the bipartisan LIHWAP Establishment Act would have reauthorized the program and incorporated low-income water aid into the permanent federal safety net.

AMWA urges you to support the LIHWAP Establishment Act when it is reintroduced this year.

¹ https://www.acf.hhs.gov/sites/default/files/documents/ocs/DRAFT_LIHWAP-Implementation-Final-Report.pdf



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FULLY FUND EPA'S WATER INFRASTRUCTURE ASSISTANCE PROGRAMS

Passed in 2021, the Infrastructure Investment and Jobs Act (IIJA) provided an historic infusion of nearly \$50 billion worth of additional federal spending on drinking water and wastewater infrastructure over five years. However, this supplemental funding and the programs authorized through IIJA are set to expire in 2026.

Meanwhile, EPA estimates that the water sector requires more than \$1.2 trillion worth of investment over the next 20 years, just to maintain current levels of service. IIJA was a downpayment on this large backlog of investment needed for water systems' aging infrastructure and compounding vulnerabilities like resilience to flooding and drought, security threats, and emerging contaminants.



HOW CAN CONGRESS SUPPORT WATER INFRASTRUCTURE INVESTMENTS?

Provide appropriations for EPA's water infrastructure assistance programs at their fully authorized levels in the 2026 fiscal year, including:

- \$ Drinking Water State Revolving Fund: \$3.25 billion
- \$ Clean Water State Revolving Fund: \$3.25 billion
- \$ Water Infrastructure Finance and Innovation Act (WIFIA): \$50 million
- \$ Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program: \$50 million
- \$ Reducing Lead in Drinking Water Grants: \$100 million

In addition, the authorizations for each of these critical programs is scheduled to expire after the 2026 fiscal year.

AMWA urges Congress to begin work this year to develop a comprehensive IIJA reauthorization bill that extends these and other critical water infrastructure funding assistance programs.

¹ EPA's 7th Drinking Water Infrastructure Needs Survey and Assessment identified \$625 billion in drinking water infrastructure needs over the next 20 years, while the 2022 Clean Watersheds Needs Survey found \$630 billion in wastewater infrastructure investment needs



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info@amwa.net



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PRESERVE TAX-EXEMPT MUNICIPAL BONDS

Congress is currently considering changes to the federal tax code that could impose new taxes on municipal bond interest -- a critical financing mechanism for water infrastructure projects. If municipal bond interest were subject to federal taxation, investors would demand higher interest rates to offset their losses -- passing the costs on to the public in the form of higher costs to finance needed water infrastructure. **AMWA urges Congress to maintain tax-exempt municipal bond interest!**



HOW DO MUNICIPAL BONDS SUPPORT WATER INFRASTRUCTURE INVESTMENT?

The vast majority of local water infrastructure projects are financed at the local level by communities and water systems issuing tax-exempt municipal bonds – where investors front dollars to pay for projects in exchange for a modest return over time. Recognizing the public benefits of these investments, interest earned on municipal bonds is exempt from federal income tax. This keeps costs low for community borrowers.

As of January 2025 there were more than \$3.5 trillion in active municipal bonds from more than 50,000 local government agencies – including nearly \$130 billion worth of bonds supporting water infrastructure projects.¹ If municipal bond interest were fully taxed, debt service costs could increase by 25% – costs that would directly be passed on to local water ratepayers.

AMWA urges you to oppose any tax reform plan that undermines the tax-exempt status of municipal bonds!

¹ <https://munifinance.uchicago.edu/congressional/>



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SUPPORT THE FLOW ACT TO REPLACE LEAD SERVICE LINES

The nation's community water systems are currently working to replace all 9.2 million lead service lines nationwide—a task that could cost upwards of \$100 billion. While The Bipartisan Infrastructure Law is providing \$15 billion in support of this effort, this funding will expire in fiscal year 2026 and much of the cost will ultimately fall upon individual water systems and their ratepayers. Some communities have already embarked upon comprehensive lead service line replacement programs financed through tax-exempt bonds, but they have encountered IRS red tape that slows down the process.

In response, Reps. Claudia Tenney (R-N.Y.) and Gwen Moore (D-Wis.) and Sen. Michael Bennet (D-Colo.) will soon introduce the **Financing Lead Out of Water (FLOW) Act**, bipartisan legislation to remove administrative hurdles to lead service line replacement initiatives. **AMWA urges you to support this legislation.**



HOW DOES THE FLOW ACT HELP?

Today, if a water system attempts to finance the full replacement of a lead service line with tax-exempt bonds, it must first obtain a “private letter ruling” from the IRS certifying the amount of bond proceeds that would support work properties that house in-home businesses or rental homes.

These requirements add months of work and expense to the process, as the water utility must document whether each property with a private lead service line is a rental property, or the location of a home-based business. This paperwork burden slows efforts to replace lead service lines.

The FLOW Act would simply allow community water systems to use tax-exempt bonds to pay for private-side lead service line replacement without navigating the IRS red tape.

AMWA urges you to support this bipartisan legislation that will remove administrative barriers to efficient and cost-effective lead service line replacement projects.



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SUPPORT THE WATERISAC THREAT PROTECTION ACT TO KEEP WATER SYSTEMS SECURE

The Water Information Sharing and Analysis Center (WaterISAC) is a nonprofit organization dedicated to protecting water utilities from natural, physical, and cyber threats. WaterISAC collects, analyzes, and disseminates actionable threat information to the water sector to prevent vulnerabilities to intentional contamination, terrorism, or cyber crimes. However, WaterISAC receives no direct federal funding to sustain operations, and only several hundred of the nation's 50,000 drinking water and 16,000 wastewater systems have full access to the service—potentially leaving thousands of communities vulnerable.

With access to WaterISAC, public water systems will receive details on physical, cyber and other threats, tools for analyzing risks, expert threat analysis, and regular advisories and updates. **In 2021, Congress authorized a program to support increased access to the energy sector's ISAC, and AMWA supports duplicating that model to support access in the water sector.**



HOW CAN WE HELP MORE WATER SYSTEMS ACCESS THESE RESOURCES?

Sen. Ed Markey (D- Mass.) and Rep. Jan Schakowsky (D-Ill.) have introduced S.1118/H.R. 2344, the Water Intelligence, Security, and Cyber Threat Protection Act (WaterISAC Threat Protection Act). The bill will expand WaterISAC participation across the water sector by authorizing a program to increase awareness of WaterISAC and offset membership costs for drinking water and wastewater systems.

This new program will also direct the federal government to encourage eligible entities to participate in WaterISAC and to cooperate with WaterISAC on incident data collection and analysis of threats to the water sector.

The nation's water and wastewater systems face a range of threats—from floods, droughts, and wildfires to physical vulnerabilities to attempted cyber intrusions from ransomware groups and nation-state aligned hackers.

The WaterISAC Threat Protection Act will expand the federal partnership with WaterISAC to help more water systems bolster their security.
AMWA urges you to support S. 1118 and H.R. 2344.



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