

Leading for the Future: A Drinking Water Agenda for 2023



ASSOCIATION OF
METROPOLITAN
WATER AGENCIES

Drinking water is essential to public health and economic security, but far too often it is taken for granted. As the voice of the nation's largest publicly owned drinking water systems, AMWA wants to elevate water as a priority of policymakers in 2023, and throughout the 118th Congress. We urge support for an agenda that ensures that all Americans have an opportunity to access clean, affordable drinking water in their own communities.

HOW DO WE GET THERE?

Maintain investments in drinking water infrastructure

1



2

Hold polluters accountable for cleaning up PFAS

Pass the FLOW Act to replace lead service lines

3



4

Expand access to WaterISAC to promote preparedness and resilience

Pursue social equity through drinking water affordability

5



WHAT IS AMWA?

Founded in 1981, AMWA is an organization of the nation's largest publicly owned drinking water systems, whose member utilities serve approximately 160 million Americans from Alaska to Puerto Rico. Learn more at www.amwa.net.

For more information, please get in touch with us.



info@amwa.net



202-505-1565

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Maintain investments in drinking water infrastructure

1



The Infrastructure Investment and Jobs Act of 2021 (IIJA) provided an historic infusion of nearly \$50 billion worth of additional federal spending on drinking water and wastewater projects over five years. However, these IIJA funds should not be viewed as a replacement for strong annual appropriations for EPA's water infrastructure financing programs like the Drinking Water State Revolving Fund (DWSRF) or the Water Infrastructure Finance and Innovation Act (WIFIA) – especially considering that the U.S. faces more than \$470 billion in drinking water infrastructure investment need over the next 20 years, just to maintain current levels of service.

WHAT DOES CONGRESS NEED TO DO?

Fully fund EPA's water infrastructure assistance programs, including:

- The Drinking Water State Revolving Fund: *Authorized at \$3 billion in FY24*
- The Water Infrastructure Finance and Innovation Act: *Authorized at \$50 million in FY24*
- The Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program: *Authorized at \$50 million in FY24*
- Reducing Lead in Drinking Water Grants: *Authorized at \$100 million in FY24*

Standardize and clarify which water systems qualify as “disadvantaged communities” for the purpose of receiving additionally subsidized IIJA assistance

Simplify Buy America requirements that apply to federal water infrastructure funding

“\$472.6 BILLION IS NEEDED TO MAINTAIN AND IMPROVE THE NATION'S DRINKING WATER INFRASTRUCTURE OVER THE NEXT 20 YEARS.”

U.S. EPA'S 6TH DRINKING WATER INFRASTRUCTURE NEEDS SURVEY AND ASSESSMENT
PUBLISHED AUGUST 27, 2018



info@amwa.net



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2

Hold polluters accountable for cleaning up PFAS

Per- and Polyfluoroalkyl Substances, or PFAS, are a class of thousands of man-made compounds that have been found throughout the environment and in some drinking water sources. EPA plans to regulate two of the most common PFAS – PFOA and PFOS – under the Safe Drinking Water Act, and is expected to designate these chemicals as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

CERCLA is intended to make polluters pay for the environmental cleanup of hazardous materials, but without congressional intervention EPA's plan could leave drinking water systems and their ratepayers on the hook for billions of dollars of cleanup liability as well.

HOW DO WE ENSURE THAT POLLUTERS PAY?



A drinking water standard for PFOA and PFOS will require communities across the country to remove these contaminants from their water supplies. Also designating them as hazardous substances under CERCLA will put water systems at risk of facing additional cleanup costs years or decades in the future, if the disposal location ever becomes a Superfund site.



Congress must assure that polluters cannot divert their Superfund cleanup responsibilities to water systems and their ratepayers. Just as lawmakers have voted in the past to shield airports from CERCLA liability related to their mandated use of firefighting foam containing PFAS, water systems must be similarly protected when they legally dispose of PFAS removed from their drinking water supplies.

“ANY CERCLA HAZARDOUS SUBSTANCE DESIGNATION FOR PFAS, ABSENT AN EXEMPTION FOR THE WATER, WASTEWATER, AND WATER REUSE SECTORS WOULD LEAD TO INCREASED MANAGEMENT COSTS FOR BYPRODUCTS CREATED DURING THE NORMAL WATER AND WASTEWATER TREATMENT PROCESSES.”

WATER SECTOR LETTER TO CONGRESSIONAL LEADERS
APRIL 28, 2022



info@amwa.net



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Pass the FLOW Act to replace lead service lines


3




The Bipartisan Infrastructure Law will provide \$15 billion over five years to advance the Biden Administration's goal of replacing all 10 million lead service lines nationwide, but the actual cost could be more than three times that. Ultimately, much of the cost will fall upon individual water systems and their ratepayers.

Some water systems have embarked upon lead service line replacement programs financed through tax-exempt bonds, but they have encountered IRS red tape that slows down the process. In response, Rep. Dan Kildee and Sen. Michael Bennet have introduced the Financing Lead Out of Water (FLOW) Act (H.R. 1407/S. 726) to remove administrative hurdles to lead service line replacement initiatives.

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 that a disproportionate amount of the bond proceeds would not support work at in-home businesses or rental properties.

 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.

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

"WE STRONGLY SUPPORT THE FLOW ACT TO HELP THE NATION'S WATER SYSTEMS REPLACE LEAD SERVICE LINES AND PROTECT PUBLIC HEALTH."

LETTER FROM EIGHT WATER AND MUNICIPAL SECTOR ORGANIZATIONS TO SEN. BENNET AND REP. KILDEE
MARCH 10, 2023

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4

Expand access to WaterISAC to promote preparedness and resilience

The Water Information Sharing and Analysis Center (WaterISAC) collects, analyzes, and disseminates actionable threat information to the water sector. 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 its services and expert threat analysis.

HOW CAN WATER SYSTEMS BE MORE PREPARED?

-  Introduced by Sen. Ed Markey and Rep. Jan Schakowsky, the **Water System Threat Preparedness and Resilience Act (S. 660/ H.R. 1367)** will expand WaterISAC participation across the water sector by authorizing a targeted EPA program that would offset WaterISAC membership costs for drinking water and wastewater systems.
-  Based on a similar Energy Department program created for electric utilities as part of the **Bipartisan Infrastructure Law**, the new EPA program will also direct the agency 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 bill will provide water and wastewater systems with access to additional tools and resources to prepare for the range of cyber, physical, and natural threats they face.

“YOU ARE FLYING BLIND IF YOU ARE NOT A MEMBER OF WATERISAC. YOU WILL LIKELY NEVER HAVE THE IN-HOUSE RESOURCES TO FULLY UNDERSTAND ALL OF THE THREATS OUT THERE.”

ASSISTANT GENERAL MANAGER-WATER
LOS ANGELES DEPT. OF WATER & POWER



info@amwa.net



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Pursue social equity through drinking water affordability

5



Today the cost of basic water service poses a challenge to many low-income households, particularly for those in vulnerable communities. Aging water infrastructure and expanded regulatory mandates are expected to put additional upward pressure on local water rates in the coming years.

AMWA believes that federal, state, and local levels of government must work together to ensure that all households are able to pay their water bills without imposing undue hardship on financially vulnerable families. While many large water systems operate customer assistance programs, their reach is often limited by state laws that restrict the ability of utilities to use ratepayer revenue to offset the water bills of other customers.

HOW DO WE HELP ALL HOUSEHOLDS MAINTAIN WATER SERVICE?

- ⑤ **Implement a permanent low-income water customer assistance program to offset the cost of drinking water and wastewater service for qualifying households. Just as the federal government operates safety net programs focused on nutrition assistance and home heating and cooling aid, there is an appropriate federal role in ensuring uninterrupted access to drinking water and wastewater service.**
- ⑤ **Extend the Low-Income Household Water Assistance Program (LIHWAP) at the Department of Health and Human Services. Through its first year the program aided roughly 400,000 households nationwide, but LIHWAP funding will run out without further congressional action.**
- ⑤ **Fund EPA's Rural and Low-Income Water Assistance Pilot Program, which will offer grants to support municipal drinking water and wastewater affordability programs across the country. This will help vulnerable individuals maintain water service and identify workable approaches to address the water affordability challenge.**

“WHILE THE FEDERAL GOVERNMENT HAS LONG MAINTAINED PROGRAMS TO HELP LOW-INCOME INDIVIDUALS ACCESS ESSENTIALS LIKE FOOD AND HOME ENERGY, DRINKING WATER AND WASTEWATER SERVICE HAS NEVER BEEN SUBJECT TO SIMILARLY DEDICATED FEDERAL AID, EVEN THOUGH WATER AND SANITATION ARE JUST AS ESSENTIAL TO LIFE AS ARE THESE OTHER NEEDS.”

AMWA-NACWA LETTER TO CONGRESS
MAY 20, 2021



info@amwa.net



202-505-1565