



September 7, 2023

The Honorable Tom Carper  
Chairman  
Environment and Public Works Committee  
United States Senate  
Washington, DC 20510

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

Dear Chairman Carper and Ranking Member Capito,

Thank you for the opportunity to submit this statement for the record of today’s hearing on “Implementing IIJA: Perspectives on The Drinking Water and Wastewater Infrastructure Act, Part II.” We appreciate the committee for its continued focus on and oversight of the Infrastructure Investment and Jobs Act (IIJA) and the Drinking Water and Wastewater Infrastructure Act (DWWIA).

AMWA represents the nation’s largest publicly owned drinking water systems, whose members collectively serve more than 160 million Americans from coast to coast with quality drinking water. AMWA was proud to appear as a witness at the Committee’s first hearing on IIJA and DWWIA implementation in March of this year.<sup>1</sup> As we testified at the time, AMWA’s priority today remains the same: ensuring that IIJA funding is available to support the continued delivery of safe, clean drinking water across the nation.

This is a task that our members take seriously. However, as the nation’s utilities face challenges like aging infrastructure, climate and extreme weather resilience, lead service line replacement, and PFAS treatment and mitigation – all while keeping water service affordable – the federal government has an important role to play in ensuring that resources are directed where they are needed most. Therefore, we thank the committee for its continued support in providing drinking water systems with the tools they need to provide this critical service.

<sup>1</sup> <https://www.epw.senate.gov/public/index.cfm/2023/3/implementing-iija-perspectives-on-the-drinking-water-and-wastewater-infrastructure-act>

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## **Delivering Critical Funding**

IIJA and DWWIA presented a momentous step in the right direction of ensuring that America's drinking water infrastructure will be resilient to the challenges of tomorrow. The law's nearly \$50 billion worth of additional federal spending on drinking water and wastewater infrastructure over five years will make strides to help systems repair aging water infrastructure and comply with expanded regulatory mandates related to PFAS, lead, and other contaminants. AMWA also recognizes that some water systems acted prior to passage of IIJA to prepare for anticipated state or federal regulatory changes, so this funding should be available retroactively to help these fast-acting utilities offset the infrastructure costs they incurred.

Earlier this year EPA released the results of its 7<sup>th</sup> Drinking Water Infrastructure Needs Survey and Assessment, which found that the nation's drinking water systems require an investment of \$625 billion over the next twenty years just to maintain current levels of service.<sup>2</sup> While the funding provided in IIJA represents an important step forward, it only scratches the surface of the needed long-term investment in our nation's water utilities.

But it is critical that Congress does not view this important infusion of drinking water infrastructure funding – much of which will be distributed through the Drinking Water State Revolving Fund (DWSRF) – as a replacement for strong ongoing annual appropriations for the program. AMWA was therefore disappointed to see that appropriators in the House of Representatives proposed cutting SRF funding by 60% next year. We have expressed our strong opposition to this drastic cut,<sup>3</sup> and we urge the Senate to support an FY24 EPA funding bill that adequately supplements the additional dollars that will be delivered through IIJA.

AMWA also recognizes that the House and Senate have resumed the practice of setting a portion of SRF funding to support congressionally directed spending (CDS) requests. While we hope that Congress appropriately balances CDS set asides with providing an appropriate level of SRF dollars to states, numerous water systems across the country have expressed concern that they are still waiting to receive their promised CDS funds from the 2022 fiscal year. AMWA understands that some delays may be related to the completion of required environmental assessments for CDS-funded projects, but in other cases water systems have had to wait on administrative direction from EPA before putting essential CDS-funded projects out to bid. AMWA urges the committee to work with EPA to ensure that these funds reach the water systems as quickly as possible so that critical water infrastructure projects can move forward.

Finally, AMWA believes that EPA should consider and issue appropriate waivers to Build America, Buy America requirements to allow drinking water infrastructure projects to move forward without delay, especially when they rely upon components that are not readily available from domestic sources. While we appreciate that EPA has generally complied with requirements to post proposed

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<sup>2</sup> [https://www.epa.gov/system/files/documents/2023-04/Final\\_FAQ\\_DWINSAs\\_4.4.23.v1.pdf](https://www.epa.gov/system/files/documents/2023-04/Final_FAQ_DWINSAs_4.4.23.v1.pdf)

<sup>3</sup> <https://www.amwa.net/letter/letter-house-appropriators-proposed-dwsrf-cuts>

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waivers for specific projects or products for 15 days, in some cases the final determination to grant a waiver request has not been made. To avoid unwarranted delays in essential water infrastructure projects, AMWA asks the committee to reaffirm the intent of Congress for EPA to make a waiver request determination as swiftly as possible, and to inform the waiver applicant of the anticipated timeline for the decision to be made.

### **Standing Up New Programs**

In addition to the nearly \$50 billion in drinking water and wastewater funding appropriated through IIJA, the legislation also authorized several new, targeted programs to help communities strengthen their local water infrastructure. As Congress has just begun to appropriate funds for some of these programs, AMWA believes EPA must act with urgency to make them operational and begin offering funding awards to eligible recipients.

AMWA supported DWWIA's inclusion of a five-year, \$250 million authorization for EPA's new Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program that will help drinking water systems withstand the effects of natural disasters, extreme weather, and cyber threats. Establishing this source of dedicated funding to help all drinking water systems address these challenges had been one of the association's top long-term priorities. While this program could help local water systems better prepare for increased rain and extreme storms, higher air temperatures, and rising sea levels, none of this can happen until EPA begins soliciting applications and awarding grants.

Congress appropriated \$5 million for the Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program for the 2023 fiscal year, but EPA has yet to announce when funding will be available, or even when communities can expect to apply. AMWA urges the committee to hold EPA accountable for standing up this program without further delay.

Additionally, when any new infrastructure assistance programs are established, AMWA urges Congress to ensure that a wide range of drinking water systems have an opportunity to benefit. For example, some of AMWA's regional drinking water system members have reported encountering difficulties in accessing funds for water projects that were allocated through IIJA, as well as the American Rescue Plan Act (ARPA). We very much appreciate the resources Congress provided through these landmark laws to address the nation's aging water and infrastructure as well as emerging contaminants in the water supply. However, in practice, we have seen some states limit their direct distribution to water systems operated by "municipalities" at the expense of other drinking water systems that are organized as regional public authorities.

Drinking water systems organized as regional public authorities are typically public bodies subject to the same operational laws as municipalities and in many cases serve larger, more diverse populations. They were, in many cases, created to foster economies of scale and system efficiencies, and their function aligns with the concept of hub utilities which are recognized by EPA for effectively serving multiple and diverse municipalities within a state. Unfortunately, we have seen a divergence in the

ways states have distributed these dollars with Congress's intent to support large scale water and wastewater infrastructure projects that reach those most in need. As the committee considers additional resources for the water sector, AMWA urges the senators to ensure that regional public authorities have equal access to these resources.

### **Ensuring Water Affordability**

Finally, all the challenges and infrastructure needs facing the nation's water systems have consequences for water affordability, because ultimately the vast majority of local water infrastructure costs are paid for through water rates charged to households and businesses. If the rates necessary for a local community to address its needs make basic water service unaffordable for low-income households, it puts those customers at risk of losing service, and puts the utility at risk of losing essential revenue to operate and maintain its system.

In response, AMWA recognizes and appreciates that IIJA and DWWIA established the Rural and Low-Income Water Assistance Pilot Program at EPA. The program authorizes the agency to award up to 40 grants to support municipally operated water and wastewater affordability programs across the country through direct aid to eligible households, lifeline rates, bill discounts, and other hardship provisions. Importantly, the pilot's funding assistance will be distributed evenly to a cross-section of small and large drinking water and wastewater systems so EPA can identify which affordability aid approaches work best for different types of communities.

AMWA understands that EPA is currently in the process of carrying out a needs assessment on the prevalence of local or tribal governments with water service providers that serve a "disproportionate percentage ... of households with qualifying need," as well as the prevalence of local or tribal governments that "have taken on an unsustainable level of debt due to customer nonpayment" for drinking water and wastewater service. DWWIA requires the completion of this needs assessment before the pilot program can become operational, so we urge EPA to complete this task as soon as possible, and for Congress to appropriate adequate funding to allow the agency to do so. The sooner the pilot program is up and running, the sooner it can begin delivering on its promise of helping the nation's neediest households remain connected to essential water service.

Additionally, AMWA supported Congress' action during the pandemic to avoid water service disconnections by establishing the Low-Income Household Water Assistance Program (LIHWAP) at the Department of Health and Human Services. This was the first time that Congress directly provided funding to address the burden that rising water and sewer bills have on lower income households, and as of the third quarter of 2023 HHS reports that the program's \$1.138 billion appropriation has helped more than one million households maintain access to essential water service.<sup>4</sup>

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<sup>4</sup> <https://lihwap-hhs-acf.opendata.arcgis.com/pages/quarterly-reports>

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Although Congress established LIHWAP as a temporary program, its success over the past two years proves how essential a federal low-income household water assistance program is. LIHWAP served as a lifeline for households nationwide by closing the gap so water utilities can set appropriate rates while ensuring their low-income customers are not put at risk. Given that water rates are only expected to increase in the years to come, formalizing a permanent low-income water assistance program as part of the federal safety net should be a top priority. AMWA is eager to work with the committee, Congress, and the Biden Administration to craft a permanent water affordability program that will ensure utilities can continue to deliver on their mission of providing safe and clean drinking water to all their customers.

Again, AMWA appreciates the opportunity to submit this statement for the record of today's hearing, and to help policymakers and stakeholders alike better understand the landmark achievements of IJA and DWWIA. We stand ready to work with committee to ensure our nation's drinking water utilities are prepared for the challenges of tomorrow.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Dobbins". The signature is fluid and cursive, with a prominent initial "T" and a long, sweeping underline.

Tom Dobbins, CAE  
Chief Executive Office