



**ASSOCIATION OF
METROPOLITAN
WATER AGENCIES**

LEADERS IN WATER

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April 29, 2026

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

Dear Chairman Capito and Ranking Member Whitehouse,

Thank you for the opportunity to provide comments for the record of today’s hearing on the President’s Fiscal Year 2027 budget request for the Environmental Protection Agency (EPA). The Association of Metropolitan Water Agencies (AMWA) represents publicly owned drinking water systems. AMWA’s members provide clean drinking water to communities of at least 100,000 people, and collectively the association’s members serve more than 160 million people across the country.

Every American has a basic need for safe, affordable drinking water. The responsibility for providing this service rests with 50,000 community water systems nationwide. Their needs are diverse, but their primary goal is the same: to ensure all Americans have access to clean drinking water. Now more than ever, that mission is under threat. Water systems nationwide are navigating new regulations targeting emergency contaminants such as per- and polyfluoroalkyl substances (PFAS), mandates for the replacement of lead service lines, cyberattacks from hostile actors, aging infrastructure, rising costs, and shrinking rate bases.

In light of these challenges—and costs associated with federal mandates related to these issues—it is critical that the federal government continue its support for the successful federal-state-local partnership that has enabled these systems to provide safe drinking water to communities nationwide.

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As you know, the President’s FY27 budget request proposes significant reductions to the EPA’s budget including reducing funding to the **Drinking Water State Revolving Loan Fund (DWSRF)** from \$1.12 billion to \$150 million—a cut of approximately 90 percent. Water systems have already been chronically underfunded, as EPA data show that the nation’s drinking water systems face more than \$625 billion in capital improvement needs over the next 20 years to maintain current service levels.¹ The SRFs have enjoyed a long history of bipartisan Congressional support, and urge Congress to at the very least maintain level funding for this critical program, as it did in FY26.

Few investments yield higher returns than those made in water. Every \$1 million invested in water infrastructure generates \$2.5 million in economic output and \$1.4 million in GDP. The **DWSRF** provides critical funding for infrastructure repairs and upgrades to help communities comply with federal drinking water standards. Every state has a robust SRF that provides much-needed below-market loans to municipalities, offering average interest rates of 1.5 percent. Take for example, a community with an A rating could get a \$20 million loan on the municipal market for 20 years at 4.1 percent, with an interest payment of \$9.5 million. Instead, on an SRF loan, the same community would pay \$4.1 million in interest.² Further, these funds don’t just sit idle with the states they are given to: states have converted \$28 billion in federal investments into \$57 billion since 1997. Finally, for every \$1 the federal government commits to the SRF, \$2.17 has gone to help communities.³

The cuts proposed in the President’s budget would also reduce funding for the **Water Infrastructure Finance and Innovation Act (WIFIA)** program, providing just \$8 million to administer the program, but no additional funding to provide project financing. AMWA was one of the lead advocates for the creation of WIFIA in 2014 when it was established as part of the Water Resources Reform and Development Act (P.L. 113-121). WIFIA’s focus on large-scale water infrastructure allows communities to invest in projects such as building new desalination facilities, scaling up water reuse systems, or expanding existing water infrastructure. This creates opportunities for communities to take advantage of emerging industries, grow their systems to keep up with demand from their evolving population, and invest in new, cutting-edge technology. Municipalities that utilize WIFIA’s low interest rates save on average \$1 billion in interest over the life of the loan compared to the market rate.

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

² <https://transportation.house.gov/calendar/eventsingle.aspx?EventID=408287>

³ <https://www.epa.gov/dwsrf/drinking-water-state-revolving-fund-infographic>

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Importantly, we would like to also highlight two bright spots in the President's budget: funding for both the **Reducing Lead in Drinking Water program** and the **Midsized and Large Drinking Water System Infrastructure Resilience and Sustainability program (Resilience)**.

Recent revisions to EPA's Lead and Copper Rule require the replacement of all lead service lines (LSLs) nationwide by 2037. EPA's latest inventory data indicates there are at least four million LSLs remaining in use across the country, each of which will cost an average of \$10,000 to replace. Service lines are the pipes from a home or business to the water main feeding a neighborhood or development, usually under the street in front of the home or business. Congress established the **Reducing Lead in Drinking Water** competitive grant program in 2016 to help public water systems replace LSLs in a cost-effective manner. The Reducing Lead in Drinking Water program focuses on low-income communities most likely to face affordability challenges related to lead service line replacement efforts. It is critical to helping communities replace 100 percent of lead service lines nationwide before the 2037 deadline. The President's budget provides \$20 million for the program, a reduction of \$2 million from FY26 levels. We urge the committee to support program funding closer to its previously authorized level of \$100 million.

The **Resilience** program provides competitive grant funding to public water systems serving more than 10,000 people, helping them implement projects to reduce cybersecurity vulnerabilities and increase resilience to natural disasters and extreme weather events. Water systems face the growing threat of cyberattacks from adversarial state actors. Notably, in October 2024, American Water, the country's largest water utility, announced that it had been the subject of a cyberattack, and isolated reports of cyber attacks against other water systems have been regularly reported since then. These threats have increased in recent years and have been linked to foreign adversaries like Russia, China, and Iran. In some cases, water system managers have been locked out of their systems and received ransom notes demanding payment to regain access. The Resilience program helps communities fight back by identifying and implementing preferred defensive options, appropriate cyber trainings, and system upgrades that will better repel cyber attackers.

Further, investing in resilience to natural disasters for drinking water systems is crucial for ensuring public health and safety during emergencies. By strengthening infrastructure, adopting early warning systems, and implementing adaptive strategies, communities can maintain access to clean water even in the face of natural disasters. This proactive approach not only mitigates the immediate impact on vulnerable populations but also accelerates recovery and helps safeguard long-term water security.

The President's budget provides level funding (\$2.25 million) for this important Resilience program. While we appreciate the Administration's support, we urge the Committee to support an amount closer to the authorized level of \$50 million. Importantly, these projects often do not rise to the top of state

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SRF priority lists as they are not compliance-related, but they remain critical to the safety and security of the nation's drinking water supplies and therefore warrant strong federal investment.

Thank you again for the opportunity to provide feedback on the President's fiscal year FY 2027 budget and we look forward to working with you to ensure that federal investments in the nation's water infrastructure fully reflect the scope of the nation's water infrastructure need.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tom Dobbins".

Tom Dobbins
Chief Executive Officer