

**Association of State Drinking Water Administrators
Testimony to the House of Representatives Appropriations
Subcommittee on Interior, Environment, & Related Agencies
For FY 21 EPA Funding**

**Submitted by J. Alan Roberson, P.E., Executive Director, ASDWA
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Summary of Request: The Association of State Drinking Water Administrators (ASDWA) submits the following recommendations for Fiscal Year 2021 appropriations on behalf of the drinking water programs in the 50 states, five territories, District of Columbia, and Navajo Nation. ASDWA requests funding for two programs that ensure public health protection and that will result in enhancing economic stability and prosperity in American cities and towns. ASDWA requests **\$125 million** for the Public Water System Supervision (PWSS) program and **\$1.95 billion** for the Drinking Water State Revolving Loan Fund (DWSRF) program. ASDWA also requests **\$90 million** for three drinking water grant programs to address lead in schools and communities.

Overview: The Importance of Safe Drinking Water for Our Communities and the Economy & the Role of State Drinking Water Programs

States need sustained federal support to maintain public health protection and to support the needs of the water systems they oversee. State drinking water programs strive to meet the Nation's public health protection goals through two principal funding programs: the PWSS Program and the DWSRF Program. These two programs provide most of the funding for states to work with drinking water utilities to ensure the state-federal partnership of drinking water regulations thrives and American citizens have safe and adequate water supplies.

Vibrant and sustainable communities, their citizens, workforce, and businesses all depend on a safe and reliable supply of drinking water. Over 90% of the population receives water used for bathing, cooking, and drinking from a water system that is overseen by state drinking water program personnel. Water systems – as well as the cities, villages, schools, and businesses they support -- rely on state drinking water programs to ensure they comply with all applicable federal requirements.

In addition to the water we drink in our homes, water produced by water systems is also used to fight fires, transport wastewater, cook, wash clothes and dishes, as well as by businesses for manufacturing, food processing, and cooling. State drinking water programs must have adequate funding to protect public health and maintain the economic health of communities. Incidents such as the chemical spill in Charleston, West Virginia, cyanotoxins in the water for Toledo, Ohio and Salem, Oregon, and the lead leaching from service lines into the water supply in Flint, Michigan all serve as stark reminders of the critical nature of the work that state drinking water programs do – every day – and the reason why the funding for state drinking water programs must be not only sustained but enhanced. More recently, the increasing spread of Per- and Polyfluoroalkyl Substances (PFAS) contamination adds to the urgency of the need for increased funding.

State Drinking Water Programs: How they Operate, Why Support is Needed, and Justifications for Requested Amounts

The Public Water System Supervision (PWSS) Program

How the PWSS Program Operates: To meet the requirements of the SDWA, states have accepted primary enforcement responsibility for regulatory compliance and technical assistance for more than 150,000 public water systems to ensure health-based violations do not occur or are remedied expediently. This involves 91 federally regulated contaminants and the complexity of regulations has increased in the past decade. Beyond the contaminants covered by federal drinking water regulations, states are also implementing an array of *proactive* initiatives to protect public health and the environment, such as source water assessments and protections, technical assistance for water treatment and distribution, and enhancement of water system performance. Recently, many states have begun to set drinking water standards for non-federally regulated contaminants, such as PFAS and cyanotoxins. State activities go well beyond simply ensuring compliance at the tap and these activities must be efficient given continued resource constraints.

Why Adequate Support is Needed: States will be unable to protect public health without adequate federal funding. Inadequate federal support for state drinking water programs has several negative consequences. For example, as part of ASDWA's comments on EPA's proposed Lead and Copper Rule Revisions (LCRR), ASDWA updated its Costs of States' Transaction Study (CoSTS), which found the proposed LCRR will increase state staff hours by 835,000 hours annually over the current Lead and Copper Rule in its first five years of implementation. Using the national average loaded hourly rate for state employees, full implementation of the proposed LCRR would cost the states \$50 million annually. In addition to the 91 contaminants regulated under the SDWA, states are balancing additional actions to address non-regulated contaminants such as cyanotoxins and PFAS. This is especially difficult given relatively flat PWSS funding over the past decade. While the FY20 increase of 4.2% to PWSS funding (to \$106.25 million) was a small step to closing the 20% funding gap caused by inflation, the proposed LCRR would take 47% of current PWSS funding to fully implement. When factoring in the remaining inflation gap and the percentage of PWSS funding needed to implement the LCRR, states require a 62.8% increase in funding. States will have to make tough decisions about how to prioritize support to existing programs to implement the requirements of the final LCRR. States want to offer the flexibilities allowed under existing rules to local water systems, however, fewer state resources mean less opportunity to work individually with water systems to improve their systems and protect public health.

State drinking water programs are already hard pressed financially. State-provided funding has historically compensated for inadequate federal funding, but state budgets have been less able to bridge this funding gap in recent years. Insufficient federal support for this critical program increases the likelihood of scenarios that put the public's health at risk. This is an untenable situation, as the long-standing regulatory oversight remains constant and several non-regulatory actions such as addressing PFAS and cyanotoxins and providing oversight for the development of water systems' inventories of lead service lines have increased states' workloads. States

consistently step in to help solve problems and return systems to compliance and to providing safe water as quickly as possible. Any reduction in federal funding for state water programs, no matter how small, exacerbate the existing financial difficulties.

For the PWSS Program in FY 21, ASDWA Respectfully Requests \$125 million: The number of regulations requiring state implementation and oversight as well as performance expectations continue to grow while the federal funding increases have not kept pace. Inflation has further eroded the relatively static funding levels. The requested funding amount is based on [ASDWA's December 2013 Resource Needs Report](#) and begins to fill the resource gap described above. ASDWA is currently undergoing efforts to release the update to its Resource Needs Report that will outline drinking water program needs and expand upon state drinking water programs' burdens and needs in an era of increasing public concern over drinking water quality and unregulated contaminants and activities. Increased PWSS funds are urgently needed for implementing existing drinking water rules, taking on new initiatives, and to account for the eroding effects of inflation. It is a small price to pay for public health protection.

The Drinking Water State Revolving Loan Fund Program

How the DWSRF Program Operates: Drinking water in the U.S. is among the safest and most reliable in the world, but it is threatened by aging infrastructure and emerging contaminants. Through low interest loans provided by the DWSRF, states help water systems overcome these threats. Since its inception, the DWSRF have provided funding for projects that enhance drinking water systems and protect public health. Through the DWSRF program, \$21.1 billion in federal capitalization grants since 1997 have been leveraged by states into over \$41.1 billion in infrastructure loans to 14,500 communities across the country. 26.3% of the cumulative DWSRF funding, including low- and negative-interest loans, has been provided to disadvantaged communities. Such investments pay tremendous dividends – both in supporting our economy and in protecting public health. For every \$1 invested in the DWSRF from the federal government, \$2 has gone to communities. States have effectively and efficiently leveraged federal dollars with state contributions.

An important feature of the DWSRF program is the state “set-aside” fund component, a key reason to fully fund this critical program. Set-asides provide a process for states to work with water systems to maintain compliance and avoid violations. States may reserve up to 31% of these funds for a variety of critical tasks, such as increasing the technical, managerial, and financial capacity of water systems, providing training and certification for water system operators, and continuing source water protection efforts. Set-asides are an essential source of funding for states' core programs and these efforts work in tandem with infrastructure loans.

Drinking Water Infrastructure Investment is Well below the Documented Need: [EPA's 6th Drinking Water Needs Survey](#) concluded that \$427.6 billion of capital investment was needed for the next 20 years. The total translates to \$21.4 billion annually. Continued investment is needed for aging treatment plants, storage tanks, pumps, and distribution lines that carry water to our nation's homes, businesses, and schools. Unlike other water infrastructure funding programs, the DWSRF

offers project subsidization for disadvantaged communities, funds for training and technical assistance, and is a fundamental funding mechanism for many medium and small utilities who would pay much higher interest rates if forced to use the bond market. The DWSRF plays a key role in keeping water rates affordable for many communities. Having access to low-interest loans allows water systems to pass on the savings to their rate payers while working towards full-cost pricing of their water service.

For the DWSRF Program in FY 21, ASDWA respectfully requests \$1.95 billion: The DWSRF program was funded at \$1.16 billion for FY19 and FY20, an increase from previous years of steady funding, an excellent step to provide increased support to the nation's water systems. In America's Water Infrastructure Act (Public Law 115-270), Congress authorized an increase in the funding of the DWSRF over time so that states can increase their staff and expand their expertise in conjunction with the increased funding. ASDWA fully supports this authorized increased funding. Funding the DWSRF at the authorized \$1.95 billion level will support state drinking water programs and America's water systems in proactively addressing emerging contaminants and the increased workload associated with the LCRR.

Three EPA Drinking Water Grant Programs to Address Lead in Water in Schools and Communities

ASDWA respectfully requests \$90 million for three drinking water grant programs: In FY20 appropriations, Congress funded the Voluntary School and Childcare Lead Testing Grant program at \$25 million and the million. ASDWA requests Congress continue the same appropriation for FY 21. In 2018, Public Law No: 115-270 authorized \$5 million through FY21 for a new EPA grant program to provide assistance to schools for the replacement of drinking water fountains manufactured prior to 1988. ASDWA requests that Congress fully appropriate the \$5 million authorization for this grant in FY 21. Public Law No: 114-322 established an EPA grant for Reducing Lead in Drinking Water and authorized \$60 million through FY21. Congress authorized \$19.5 million in FY20 and ASDWA requests full appropriation of \$60 million for FY21. Addressing lead contamination in schools and communities is a priority for state water programs and continued funding for these three grant programs will provide significant public health impacts, particularly for children.

Conclusion: ASDWA recommends Congress fully fund state drinking water programs in the FY 21 in order to protect public health and drinking water across the nation. States are willing and committed partners, however, additional federal funding is needed to meet the ongoing and growing regulatory and infrastructure needs. Strong state drinking water programs supported by the federal-state partnership will ensure the quality of drinking water in this country will continue to improve so the public knows that a glass of water is safe to drink no matter where they live.