



Association of State Drinking Water Administrators (ASDWA)
Testimony to the U.S. Senate Committee on Environment and Public Works
[Implementing IIJA: Perspectives on The Drinking Water and Wastewater Infrastructure Act, Part II](#)

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September 6, 2023

The Association of State Drinking Water Administrators (ASDWA), the national voice of the heads of the drinking water programs in all 50 states, the territories, D.C., and the Navajo Nation (“the states”), repeats its thanks to Congress for passing the Infrastructure Investments and Jobs Act (IIJA). The IIJA funding significantly boosts our long-overlooked hidden infrastructure, i.e., the plants and pipes that make up our critical drinking water and wastewater systems. The funding provides an opportunity for states to work with their regulated drinking water systems to address long-standing problems such as aging infrastructure that was built right after World War II, replacing hazardous lead service lines, and addressing emerging contaminants, such as per- and polyfluoroalkyl substances (PFAS).

The states have been hard at work since the signing of this landmark legislation to ensure these funds are maximized to improve public health outcomes. Continued funding for drinking water infrastructure and increased funding for state drinking water programs is essential for public health protection and for economic well-being across the country.

The IIJA funding does not mitigate the decreased Drinking Water State Revolving Fund funding that has resulted from congressionally directed spending projects.

Although the IIJA is providing significant funding for drinking water systems across the country, it does not alleviate the water sector’s concerns with the diversion of capitalization grants for the Drinking Water State Revolving Fund (DWSRF) to pay for Congressionally Directed Spending (CDS) projects. Congress’ current method for paying for CDS water infrastructure projects is a critical threat to the long-term sustainability of the DWSRF programs, as well as the state programs that oversee the implementation of the Safe Drinking Water Act (SDWA).

The DWSRF program provides low-interest loans and grants to rehabilitate and replace aging infrastructure to ensure public health protection. Since 1997, Congress has allocated \$21.1B in infrastructure financing through the DWSRF, benefiting 14,500 communities and millions of Americans. For some communities that are unable to obtain bonds or bank loans, DWSRF grants and loans are the only option to improve their infrastructure and ensure public health protection. Continued investment into the DWSRF program from the capitalization grants provided by Congress is essential in keeping infrastructure projects and upgrades affordable for many communities.

Additionally, SDWA allows states to use a portion of the DWSRF capitalization grants to fund state staff that oversee the implementation of SDWA, as well as fund technical assistance programs for small, rural, and disadvantaged communities. As this funding is redirected to CDS, states are losing the resources needed for these critical programs, forcing them to make tough decisions about how to prioritize and support existing programs. This could lead to potential adverse public health consequences, as inadequate funding will result in reduced state oversight and an increase in preventable operational or managerial failures at water systems.

Unfortunately, these cuts are happening at the same time the water sector faces a sharp increase in workload from new regulatory requirements to address lead in drinking water and PFAS, as well as new threats like cybersecurity. To tackle these issues appropriately, state drinking water programs need more funding, not less.

The IJA funding does not satisfy the national need for water infrastructure funding. Congress must fully fund the DWSRFs to meet national infrastructure needs.

[EPA's 7th Drinking Water Needs Survey and Assessment](#) (DWINSA) estimated \$625 billion of capital investment would be needed for drinking water infrastructure over the next 20 years, a 32% increase over the estimate in the previous DWINSA. Results from this survey are used to determine the allotment of funding given to each state from the general DWSRF capitalization grant and the additional funding under IJA.

ASDWA recommends that Congress fund the DWSRF at full authorization - \$3 billion annually. Since the reauthorization of the DWSRF in 2021, Congress has opted not to fund the DWSRF to this level, making it challenging for communities to address all of the critical infrastructure needs. The results of the 7th DWINSA show that the IJA will not be sufficient to address our nation's aging treatment plants, storage tanks, pumps, and distribution lines that carry water to our homes, businesses, and schools. In other words, the first five years of infrastructure needs from the 7th DWINSA is a little over \$156 billion, substantially greater than what was authorized through IJA. IJA funding will run out in 2026, and continued investment must be made through the DWSRF programs to meet the water sector's needs now and in the future.

For IJA funding to be effective, it must go to the communities that need it most, and that will take time.

Although states are hard at work to develop their Intended Use Plans (IUPs) for each component of IJA funding, the public has some unrealistic expectations about these funds. This funding is not going to be immediately available to communities – there is a process to ensure that fiduciary responsibilities are met. The high interest in this funding has resulted in a significant increase in projects that state staff must review. Some of ASDWA's members have reported seeing a 2-3-fold increase in project applications while also reporting being unable to bolster their staffing levels. Sifting through these applications to determine where the money is needed most, and which water systems can use the funding most effectively will take time. Building the projects with the appropriate construction management will take more time.

Additionally, with the publication of EPA's Lead and Copper Rule Revisions (LCRR) in 2021, water systems are in the process of creating their initial inventories to determine where lead service lines are located, and where service lines are made of other materials. Developing the initial inventories (note that the regulatory deadline for the initial inventories is October 16, 2024) is the first step in getting the lead out, and the IJJA funding is providing the jump start needed for systems to begin this process. Once these lead service lines have been identified, systems will start to replace them. Developing robust service line inventories and removing the lead service lines will be a continued effort over many years. To better support the removal of lead service lines, ASDWA recommends that Congress consider providing additional subsidization for 100% loan forgiveness for these projects. States have reported a reluctance from communities to take on loans to address lead service lines. A provision like this will provide the push needed for timely identification and replacement of lead service lines throughout the country.

Finally, as everyone in the water sector works to ensure that small and disadvantaged communities can access the funds provided under the IJJA, time and resources must be devoted to providing technical assistance to those water systems. Applying for funds through the DWSRF can be difficult for smaller water systems that lack technical, managerial, and financial capacity. Without sufficient time for states, EPA, and technical assistance partners to conduct this outreach, we run the risk of these disadvantaged communities missing out on funding they desperately need.

In conclusion, states need sustained federal support and time to address the needs of the water systems they oversee and to ensure the effective use of IJJA funding.

Robust funding for water infrastructure and state drinking water programs is needed to ensure all Americans 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 overseen by state drinking water program personnel. In addition to the water we use in our homes, water produced by water systems is also used to fight fires, transport wastewater, 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. Contamination events and water supply interruptions across the country are stark reminders of the critical nature of the work that state drinking water programs do – every day – and the reason the funding for state drinking water programs must be increased to match the increased regulatory burden. Increased time and resources at both the state and federal levels are necessary for the increased IJJA funding to be effective investments and to be sustainable for current and future generations.