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May 10, 2019

The Honorable Peter DeFazio  
Chairman  
House Committee on  
Transportation & Infrastructure  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Sam Graves  
Ranking Member  
House Committee on  
Transportation & Infrastructure  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman DeFazio and Ranking Member Graves:

On behalf of the over 325 public clean water utilities NACWA represents in nearly every state across the country, we kindly request that clean water be given strong consideration and priority as the committee works on advancing any comprehensive infrastructure legislation this Congress. NACWA has had the pleasure of working closely for many years with the Committee and Congress on bipartisan legislative solutions to ensure the ratepayers and constituents we all represent have the safe, reliable, and affordable essential public wastewater and stormwater services they need and deserve.

As communities across the country, large and small and rural and urban alike, are dealing with aging infrastructure, growing water quality challenges, increasing federal compliance obligations, and stagnant federal investment it is imperative that clean water be a key component of any legislative infrastructure package.

NACWA is encouraged by the recent progress on infrastructure discussions between the White House and Congress. We stand ready to further our proactive bipartisan policy collaboration with Congress to provide communities with the ability to ensure homes, businesses, hospitals, and schools operate safely and efficiently while also protecting public health and the environment and growing their local economies. Your constituents and the more than 124 million clean water ratepayers our public utilities represent nationwide are counting on us.

NACWA and our members believe the following are several areas of clean water policy where timely Congressional action is warranted.

#### Clean Water State Revolving Fund (CWSRF) Reauthorization

The Clean Water State Revolving Fund (CWSRF) has long been a critical federal financing tool that public clean water agencies have leveraged to help build clean water infrastructure and meet their federal obligations under the Clean Water Act (CWA). At a time when more than 95

percent of U.S. water infrastructure investment currently comes through local ratepayer and state investment ([CBO, October 2018](#)), and when sewer and water rate increases are outpacing the rate of inflation, low-interest CWSRF loans are more important than ever in helping communities finance infrastructure investments at favorable rates and better manage impacts to ratepayers.

NACWA's annual rate survey found that in 2018, the national average cost of wastewater services rose faster than the rate of inflation for the 17th year in a row, rising 3.9 percent. Key drivers of rising rates include federal consent decrees requirements, associated capital construction and debt service, combined sewer overflow (CSO) and sanitary sewer overflow (SSO) control projects, sewer rehabilitation and replacement, and the increasing cost of addressing regulatory requirements related to water quality challenges like nutrient impairment ([NACWA, May 2019](#)).

For many communities, the CWSRF has been instrumental to their success in complying with National Pollutant Discharge Elimination System (NPDES) permits, implementing advanced treatment of wastewater, reducing the frequency and size of sewer overflows during wet weather events, and upgrading infrastructure. The CWSRF is also essential for many communities working to implement new regulatory requirements ranging from updated water quality standards for toxics to tightening nutrient limitations. It is also increasingly being used to implement innovative stormwater and nutrient management projects, including the use of green infrastructure.

NACWA has long supported a reauthorization of the CWSRF and increased funding for the program and are very encouraged by the recent bipartisan introduction of H.R. 1497, the *Water Quality Protection and Job Creation Act of 2019*, which reauthorizes and provides significant increases for the CWSRF, as well as other key federal clean water programs. NACWA strongly supports H.R. 1497 and encourages the passage of CWSRF reauthorization either as a standalone bill or as part of a larger infrastructure package such as the next Water Resources Development Act (WRDA).

### Affordability

The clean water challenges mentioned above that communities are increasingly dealing with often strain local ability to pay. Further, these challenges are often exacerbated by economic and demographic shifts like the loss of industry and declining service area populations, and growing utility resiliency threats, all of which make it more difficult for communities to maintain their fixed assets.

As a result, many local communities are being forced to increase water and sewer rates at a level that exceeds affordability for many households, often disproportionately impacting low-income populations. To accommodate low-income customers, utilities may set rates that do not reflect the true cost of providing water services. Even then, low-income customers may become delinquent on their bills or live in fear of loss of service.

To help address these affordability challenges, NACWA supports legislative efforts to establish a federal low-income water assistance program. Such a program would ideally be targeted provide security to vulnerable households in their access to essential water services, addressing a crucial local barrier to setting utility rates which reflect the full cost of the service and helping utilities maintain the infrastructure and comply with federal health and environmental obligations.

This type of program would recommit the federal government to the original partnership created by the CWA of federal, state and local governments all helping to shoulder the costs of providing clean water services to all Americans. NACWA also is interested in additional legislative approaches, including potential changes to existing federal financing programs like the CWSRF, to help address the water affordability challenge.

### CWA Modernization

The CWA has been one of the most successful environmental statutes in U.S. history having led to a significant reduction in pollution from point source dischargers, spurred important investment to the nation's clean water infrastructure, and helped municipal clean water utilities become engines of innovation.

However, after nearly 50 years of significant progress, the CWA is rapidly showing its age with its inadequacy in addressing new, increasingly complex clean water issues and we are now at a point where many of EPA's regulatory and enforcement actions involving the public clean water community are creating unsustainable burdens while leading to marginal, if any, environmental benefit. Water quality challenges such as excessive nutrients, climate change, and emerging contaminants were never contemplated by the Act's authors, and meanwhile new technologies and innovative approaches to addressing water quality holistically are being developed. The command-and-control structure of the CWA is proving incapable of adapting to modern water quality needs.

The time has come to modernize and create a 21<sup>st</sup> century CWA that preserves the strongest and most successful aspects of our current structure while providing a new suite of tools that:

- Better addresses regulatory compliance and take into account increasing non-point source pollution;
- Further utilizes use of emerging and innovative clean water technologies;
- Allows for the use of responsible regulatory flexibility;
- Takes a more holistic watershed-based approach;
- Streamlines federal requirements under the CWSRF program so communities can have quicker and more efficient access to CWSRF funds; and
- Looks at the intersection between the CWA and the Safe Drinking Water Act (SDWA) in a unified approach to clean water and drinking water management.

It is crucial for a modern CWA framework to be put in place to meet the growing challenges public clean water utilities and communities are facing. NACWA strongly encourages consideration of these types of reforms to modernize the CWA as the committee and Congress continues its work on a legislative infrastructure package.

### Resiliency

Extreme weather events are increasingly presenting major challenges to public clean water utilities in all parts of the country. Changing weather patterns and extreme storms can impair the long-term resilience of critical infrastructure assets and create new challenges to meeting water quality goals. Many utilities are evaluating and investing in resiliency measures that protect their infrastructure investments as well as their ratepayers who bear the long-term financial burden of clean water investments.

NACWA encourages policies that provide public utilities with the flexibility and support they need to adapt to these changes in innovative ways, including additional federal funding for clean water utility resiliency efforts.

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NACWA greatly appreciates your time and consideration of these policies important to the public clean water sector and looks forward to further engagement with the committee and Congress. In the meantime, please continue utilizing NACWA as a key resource in any facet of clean water that may be of help to you and your constituents.

Sincerely,

A handwritten signature in black ink that reads "Adam Krantz". The signature is written in a cursive style with a stylized flourish at the end of the name.

Adam Krantz  
CEO