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February 04, 2025

The Honorable Lee Zeldin Administrator U.S. Environmental Protection Agency 1200 Pennsylvania Avenue, N.W. Washington, DC 20460

Sent via email to Administrator Lee Zeldin (zeldin.Lee@epa.gov)

Dear Administrator Zeldin:

On behalf of the National Association of Clean Water Agencies (NACWA), congratulations on your selection and confirmation as Administrator of the U.S. Environmental Protection Agency (EPA).

NACWA represents over 360 publicly owned wastewater and stormwater utilities all across the county, from very small towns to the largest cities. Our members are true public servants on the front lines of environmental and public health protection, supporting their communities and empowering local economies.

NACWA and our members stand ready to partner with you and the Trump Administration to advance clean water policy, including modernizing America's water infrastructure and strengthening the nation's health and economic resilience.

Many Americans are struggling with the rising cost of water. Inflation exacerbated this challenge for utilities and households, revealing a growing gap in federal support for water access compared to other critical infrastructure sectors. This ongoing challenge is compounded by decades of declining federal investment in water infrastructure coupled with growing water management challenges such as responding to extreme weather events, and increasingly costly regulatory requirements, including treating to constantly more stringent levels of pollution.

Clean water is a critical issue that deserves significant attention as you develop your agenda and priorities at EPA. It accounts for over 45% of EPA's budget signifying its priority status at the Agency. We look forward to working with you and your team to address pressing water challenges including those outlined below. A strengthened federal commitment to safe, reliable and affordable water would not

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only enhance public health and environmental quality but also improve the quality of life for all Americans.

Accelerating Infrastructure Investment for American Prosperity

Investing in water infrastructure is not just about pipes and treatment plants; it's about securing America's future. The recent EPA Clean Watershed Needs Survey estimated a \$630 billion funding gap over the next 20 years. The largest share, 55%, is required for centralized wastewater treatment and collection systems, and 18% of the total need is for municipal stormwater systems.¹

To protect our communities and keep our nation competitive, NACWA urges EPA and the Trump Administration to prioritize robust funding for water infrastructure as part of a forward-looking, fiscally responsible economic agenda.

In addition to the impact on households, failing infrastructure and interrupted water services can have a profound negative impact on businesses, disrupting daily operations and causing significant financial losses. Without continued infrastructure investment, service disruptions to water-reliant industries will cost an estimated \$287 billion by 2043.²

The Clean Water State Revolving Fund (CWSRF) is a proven, highly efficient mechanism for financing local water projects, providing low-interest loans to communities for critical infrastructure investments. The Water Infrastructure Finance and Innovation Act Program (WIFIA) is another key federal mechanism accelerating investment in water through supplemental credit assistance for regionally and nationally significant projects.

NACWA requests that EPA and the Trump Administration seek to bolster investments in the CWSRF and WIFIA. This is especially important as water infrastructure funding from the Bipartisan Infrastructure Law (BIL) runs out in the next two years. Investing in water infrastructure is a powerful way to stimulate local economies and create jobs.

Addressing Water Affordability for American Families

Affordable access to clean water is essential for the health and welfare of every American household. With water and wastewater rates rising, many families face mounting financial strain.

¹ EPA 2022 EPA Clean Watershed Needs Survey Report, released May 2024 [https://www.epa.gov/system/files/documents/2024-05/2022-cwns-report-to-congress.pdf]

² The Value of Water Campaign. Bridging the Gap: The Power of Investment in Water [https://uswateralliance.org/wp-content/uploads/2024/05/Bridging-the-Gap%E2%80%94The-Economic-Benefits-of-Investing-in-Water.pdf]

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The average annual wastewater service charge for a single-family household grew at twice the rate of inflation between 2000 and 2021, reaching \$551 just for wastewater treatment services. With drinking water treatment added to this, total average water bills are over \$1,000 per household, and in some communities, it is well above this. In some communities, the cost of clean and safe water services can at times reaching 7-8% of a family's household income. Clean water utility rates are projected to continue increasing on average by approximately 4% per year through 2026.³

EPA published updated affordability and financial capability guidance in 2023 that unfortunately does not sufficiently address the water affordability challenges facing the nation or provide any meaningful relief to low-income households. A previous draft of the guidance published in 2020 at the very end of President Trump's first term would have done a much better job addressing these concerns, but it was unfortunately withdrawn by the Biden Administration before it could be finalized.

NACWA would like to work with you and your team at EPA to develop a new financial capability guidance that, similar to the 2020 draft, will provide real financial relief to thousands of households struggling to pay their clean water bills across America. We hope you will make this a priority.

NACWA also strongly supports the establishment of a permanent federal low-income household water assistance program or LIHWAP. EPA's recent low-income water assistance report demonstrates the need for such a program, and NACWA looks forward to working with EPA and other federal agencies in the Trump Administration to help advance this concept with Congress.⁴

Protecting Taxpayers and Local Communities from PFAS Polluters

Per- and polyfluoroalkyl substances (PFAS) have emerged as one of the most pressing environmental and public health challenges of our time. These "forever chemicals" are widespread, persistent in the environment and could have serious health risks.

Addressing PFAS contamination is essential to protecting American families and the environment, but current federal policy unfairly places the burden of cleanup on taxpayers and local water utilities instead of on the manufacturers responsible for producing and profiting from PFAS.

³ 2022 Report: The Growing U.S. Water Affordability Challenge and the Need for Federal Low-Income Water Customer Assistance Funding [https://www.nacwa.org/docs/default-source/resources---public/nacwa-affordability-report_dec22.pdf?sfvrsn=1ab5c761_2

⁴ EPA Water Affordability Needs Assessment [https://www.epa.gov/waterfinancecenter/water-affordability-needs-assessment]

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Treating for PFAS in wastewater is not yet feasible at scale and is likely to be prohibitively expensive, especially for small and rural communities. Utilities do not produce or benefit from PFAS, but they receive PFAS into their wastewater and stormwater systems from industrial and household sources.

Under current law, utilities face potential liability under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) for PFAS contamination, which could leave utilities financially responsible and result in higher rates for everyday Americans. Clean water utilities and local ratepayers should not have to bear the expense of litigating and remediating PFAS pollution they did not create. This aligns with basic polluter pays principles of accountability and fairness.

NACWA strongly urges EPA and the Trump Administration to address the PFAS challenge in a way that both reduces human health and environmental risks and holds the true polluters accountable. This includes protecting water systems from CERCLA liability and ensuring a greater focus from the federal government is placed on source control, research into safer PFAS alternatives, and PFAS destruction technologies.

Building a Resilient Water Workforce and Supporting Innovation

A reliable, skilled water workforce is essential to maintaining and upgrading America's water infrastructure. However, water sector utilities are facing challenges in recruiting, training, and retaining employees. With the median age of water employees being 48 years and up to 50% of these workers eligible for retirement within the next 10 years, ensuring the sector has a reliable pipeline of new employees is essential.⁵

The water sector offers reliable, well-paying jobs that cannot be outsourced. Many positions in this sector do not require a four-year degree, making them ideal for workers with vocational training, community college backgrounds or military experience. By expanding federal water workforce grants and partnerships with local community colleges, technical schools, and veterans' programs, we can create new pathways for Americans to enter the skilled trades.

As technology reshapes every part of the economy, the water sector must also adopt new tools and smart technologies to improve efficiency and reduce costs. NACWA supports targeted federal investment in workforce training programs that equip workers with the skills to operate and maintain advanced systems, including artificial intelligence, data analytics, and automation technologies. These innovations can enhance water management, reduce operational costs, and improve environmental outcomes. Excellent work in this area was

⁵ EPA "America's Water Sector Workforce Initiative: A Call to Action," [https://www.epa.gov/sites/default/files/2020- 11/documents/americas_water_sector_workforce_initative_final.pdf]

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done in the first Trump term and we hope you can build on this support for the water workforce.

Safeguarding National Security from Emerging Cyber Threats

As water systems become increasingly connected, they are also more vulnerable to cyber threats that could disrupt services, compromise public health, and create security risks. NACWA strongly believes that protecting water utilities from cyber-attacks is an urgent national priority and an essential part of securing our critical infrastructure.

Many utilities have taken proactive measures to enhance their cybersecurity. Tools such as WaterISAC, the international security network created by and for the water & wastewater sector, as well as technical guidance from federal agencies are available to help utilities stay abreast of threats, guide them toward evolving best practices, and provide incident response if necessary. NACWA looks forward to working with you and EPA in a collaborative fashion to continue hardening the water sector against cyber threats.

NACWA appreciates this opportunity to provide recommendations to you and your team as you build out your water agenda. We look forward to working with you to advance clean, safe, and affordable water services across the country.

We would also welcome the opportunity to meet with you in person to discuss these issues further and discuss how NACWA can help to advance EPA's priorities. I also think it would be helpful to meet with the utility CEOs to get an on the ground perspectives from them and I would be happy to organize that with your office as well. Please don't hesitate to contact me or Nathan Gardner-Andrews, NACWA's Chief Policy & Advocacy Officer, at ngardner-andrews@nacwa.org with any questions or to discuss these issues further.

Sincerely,

Adam Krantz CEO

CC: Jessica Kramer, Office of Water

Andrew Sawyers, Office of Wastewater Management, Office of Water