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February 28, 2023

Chairwoman Debbie Stabenow United States Senate Committee on Agriculture, Nutrition, & Forestry 328A Russell Senate Office Building Washington, DC 20510

Chairman Glenn "GT" Thompson United States House Committee on Agriculture 1010 Longworth House Office Building Washington, DC 20515

Ranking Member John Boozman United States Senate Committee on Agriculture, Nutrition, & Forestry 328 A Russell Senate Office Building Washington, DC 20510

Ranking Member David Scott United States House Committee on Agriculture 1010 Longworth House Office Building Washington, DC 20515

Transmitted via electronic mail

RE: NACWA 2023 Farm Bill Priorities

Dear Chairwoman Stabenow, Chairman Thompson, and Ranking Members Boozman and Scott:

The National Association of Clean Water Agencies (NACWA) appreciates the opportunity to provide input and share policy priorities for your consideration as you work together in developing the 2023 Farm Bill.

NACWA represents the interests of over 350 public wastewater and stormwater utilities nationwide. NACWA's members serve the majority of the sewered population in the United States and are responsible for treating the millions of gallons of wastewater produced by their communities each day while meeting the requirements of the Clean Water Act (CWA).

As part of this mission, clean water utilities are increasingly partnering with the agricultural community to promote more productive, collaborative, and flexible approaches to water quality management. The Association has built upon those relationships to engage with Congress and successive NACWA 2023 Farm Bill Priorities February 28, 2023 Page 2 of 6

presidential administrations over the past decade to support bipartisan solutions to better address nutrient loading and broader water quality issues at a watershed level.

As a result of these collaborative efforts, the 2018 Farm Bill passed into law with several key bipartisan NACWA priorities included that help public clean water utilities form innovative partnerships to meet their growing water quality challenges and obligations more cost-effectively. These provisions included a Sense of Congress affirming the value of clean water sector collaboration with the agricultural community to advance efficient and cost-effective clean water goals and practices; improvements and increased flexibilities to the Regional Conservation Partnership Program (RCPP); enhanced measurement, evaluation, and data collection of conservation practices; support for the use of precision agriculture technology; and the prioritization of source water protection in conservation programs.

In anticipation of Congress' work on the upcoming Farm Bill reauthorization, NACWA has reconvened its Farm Bill Workgroup, comprised of a diverse range of utility leaders from across the country, to provide the perspective of the clean water sector and serve as a resource during your deliberations. The goals of the Workgroup are to continue driving for holistic, watershed-based solutions to address water quality challenges. We believe there are several key policy opportunities and focus areas in the next Farm Bill where Congress can assist local communities in proactively meeting these challenges, as outlined in more detail below.

PFAS and Municipal Biosolids Management

As environmental stewards of their communities, public clean water utilities are committed to mitigating potential impacts of exposure to per- and polyfluoroalkyl substances (PFAS), and NACWA continues to strongly support proactive and scientific risk-based policy measures that provide public health and environmental protection.

Issues surrounding municipal biosolids management present a unique intersection between the interests of large cities, small towns, and the agricultural community. A core component of operating a municipal wastewater treatment system is the safe management of the thousands of tons of biosolids generated every day across the United States.

Municipal biosolids that are separated from liquids during the wastewater treatment process are nutrient-rich and high in organic matter, making them a valuable means to improve the physical, chemical, and biological properties of soils. As a result, land application of biosolids has been a longstanding practice and has occurred safely under federal and state regulations for decades, providing immense benefits to both public clean water utilities and farmers as a sustainable, cost-effective, and domestic source of fertilizer. According to 2019 data from the U.S. Environmental Protection Agency (EPA), approximately 51% of municipal biosolids generated in the U.S. are land applied as a soil amendment. This alternative to manufactured fertilizers is particularly notable given the supply chain challenges and price increases we understand farmers have recently been facing with manufactured fertilizers.

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However, the practice of municipal biosolids land application is facing growing uncertainty due to concerns over the presence of PFAS on certain farms where municipal biosolids and industrial sludges have been land applied. This presents a highly problematic and unsettling outlook for biosolids management, both for public utilities which will continue to need to process and manage them, and for farmers and landowners who currently use municipal biosolids or have in the past.

Farmers, landowners, and the public are rightly concerned over possible threats from PFAS and what the resulting health risks, as well as financial and legal implications, might be from their presence in the environment. NACWA believes the municipal clean water sector and the agricultural community have a common interest in supporting the development of risk-based standards for PFAS substances in biosolids as well as clear guidance that assures farmers and the public that appropriate health and water quality protection measures are in place.

Considering these important cross-sector implications, NACWA urges close collaboration between the U.S. Department of Agriculture (USDA) and EPA – in consultation with key municipal clean water and agricultural stakeholders – to help address questions regarding the safe land application of municipal biosolids and to assure farmers and landowners of the protections provided by federal standards.

Crucially, we urge the federal government to continue supporting the safe land application of municipal biosolids. It is essential that USDA and EPA have the resources necessary to address PFAS concerns and provide risk-based clarity and guidance to the states and local communities so that beneficial reuse of these nutrient-rich materials is not unnecessarily restricted.

As awareness of PFAS grows, it is also clear that this will be a prime area of research and development for many years, ranging from ensuring protection of food production and water quality to effective and efficient PFAS treatment and destruction methods. Congress should look to the whole of government to help address this problem by providing resources and direction to federal entities and outside institutions. As it relates to the Farm Bill, Congress could use this occasion to focus the resources available through the Land-Grant Colleges and Universities by providing direction and opportunities for PFAS research and support for community engagement to help address how PFAS contamination is managed.

Conservation

Communities facing increasingly stringent nutrient permit limits are often faced with massive costs for "end of pipe" nutrient removal requiring advanced technologies that consume large quantities of energy and other resources. This has led many clean water utilities to look for more innovative solutions to address nutrient challenges and provide greater overall benefit to their watersheds. As a result, utilities are increasingly working upstream of their service areas to reduce nutrient loading into surface waters through collaboration with the agricultural community, including investments in conservation practices. This work has resulted in watershed-based partnerships that bring together farmers and rural landowners with urban communities on shared progress to protect and conserve our nation's natural resources.

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Demand for many of the programs available through the federal government to address nutrients and drive conservation practices has outstripped funding in the past, leaving many willing participants out of the field and water quality improvements delayed. NACWA appreciates the legislative efforts in the last Congress to greatly enhance conservation funding for several core programs – including the RCPP and the Conservation Innovation Grant Program – and will work with Congress and the Administration to promote and support their effective implementation. The watershed-based approaches supported by these and other federal programs maximize the impact of invested time and resources by building long-lasting relationships among the key stakeholders at the local level who know best where investments are needed.

Non-point source nutrient pollution is now one of the leading challenges to water quality across the U.S. Yet regulatory obligations for reducing nutrient loading are still largely directed at point sources – the clean water utilities NACWA represents. The resources that would otherwise be used to address the decreasing amount of nutrients being discharged from clean water utilities can, in certain parts of the country, be more effectively used to deploy on-farm conservation practices to provide nutrient reductions, targeting sub-watersheds where these investments can deliver the biggest outcome per dollar expended.

Limited existing relationships with potential partners upstream, the complexity of the administrative effort and corresponding utility staff time required, and uncertainty about securing credit for outcomes in meeting permit obligations have all presented obstacles to these types of efforts. But the clean water and agricultural communities have been working to identify the best ways to address these challenges, support enhanced watershed coordination, identify potential partners and target outreach efforts.

NACWA urges Congress in the upcoming Farm Bill to focus efforts on supporting watershed coordinators who can dedicate their time to reducing the burden and complexity of forming productive water quality partnerships. These coordinator roles can be taken on by a number of different trusted entities at the local level that are able to engage with both the water and agricultural communities.

Existing coordinators are already helping to identify and build the key relationships needed for these watershed approaches and serve as a point of contact for identifying and implementing conservation practices. These individuals serve as the primary conduit between farmers and landowners, utilities, and conservation programs to support effective delivery and appropriate measurement and verification of outcomes. Congressional support for these and additional coordinators across the country would help to jumpstart even more collaboration and water quality improvements.

Cross-Agency Coordination

NACWA urges USDA and EPA to better coordinate and identify metrics within the context of the Clean Water Act National Pollutant Discharge Elimination System (NPDES) permit program to facilitate the provision of quantifiable credits to clean water utilities for their upstream investments and water quality improvements. Ensuring such credits will drive investment and conservation innovation around the country.

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The essential factors for driving long-term collaboration between public utilities and agricultural producers will be cooperation between federal, tribal, state, and local leaders and a willingness to try new practices and work to scale them up. For example, EPA and state permitting approaches have a direct impact on the investments that utilities undertake to address water quality challenges. If the federal government and states can continue finding ways to better incentivize, quantify and credit gains made through cooperative conservation practices between utilities and agricultural producers, it will encourage further cooperation and water quality improvement.

NACWA also supports implementing mechanisms to reward successful projects by making them eligible for additional funding. Successful projects leveraging federal funds could benefit from the opportunity to increase a prior award or to pursue an expedited renewal process. Similarly, NACWA supports the adoption of an ongoing application process for USDA-administered programs. Allowing applications to be submitted and reviewed year-round could facilitate more timely implementation.

USDA Rural Development

As public clean water utilities work to provide the highest level of affordable and sustainable essential services, they face myriad complex challenges including aging infrastructure, workforce issues, escalating operation and maintenance costs, expanding regulatory obligations, and management of excess flows during increasingly extreme storms, among others.

A key issue impacting public clean water utilities both large and small is access to federal investment in infrastructure. NACWA strongly encourages Congress to provide increased authorization levels of funding in the upcoming Farm Bill for USDA's Rural Development Loan & Grant Program, which provides critical assistance for rural clean and drinking water systems. This funding is central to ensuring America's rural communities are able to build and maintain the necessary infrastructure to provide safe, reliable, and affordable public clean water services to local families and small businesses.

Low-Income Water Customer Assistance

Each month, countless households across America, both urban and rural, continue to struggle to pay their water and sewer bills. Congress stepped in to help fill this gap for the first time during the pandemic, providing emergency low-income water customer assistance funding through the Department of Health and Human Services (HHS). However, that funding will end this fall, potentially leaving many struggling families in a position to not be able to afford their essential water services.

Additional resources are needed to bridge this gap and ensure the long-term viability of a permanent low-income water assistance program. NACWA looks forward to further working with Congress on this critical issue.

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Energy and Innovative Technology

Public wastewater utilities are estimated to consume more than 30 terawatt-hours per year of electricity, equating to roughly \$2 billion in annual electricity costs. Electricity can constitute 25 to 40 percent of a wastewater treatment plant's annual operating budget and leave utilities vulnerable as energy prices rise.

NACWA believes there is significant opportunity to further advance policies that enhance public clean water utilities' ability during the treatment process to capture and generate renewable energy, such as biogas and thermal, and to improve energy efficiency. There are also opportunities for the clean water and agricultural communities to collaborate on energy-related initiatives. Improving on-site energy capture and generation will help utilities manage costs, become more resilient, and serve their communities reliably and affordably well into the future.

NACWA appreciates your leadership and the opportunity to share these key priorities. We look forward to ongoing engagement with you throughout the 2023 Farm Bill process. Please feel free to call upon NACWA's <u>legislative staff</u> and our Farm Bill Workgroup members anytime to discuss these issues further.

Sincerely,

Adam Krantz

CEO NACWA

NACWA Farm Bill Workgroup Members

NEW Water (Green Bay, Wisconsin)

City of Des Moines (Iowa)

Capital Region Water (Harrisburg, Pennsylvania)

City of Ames Water & Pollution Control Department (Iowa)

City of Cedar Rapids (Iowa)

City of Springfield (Missouri)

Great Lakes Water Authority (Detroit, Michigan)

Greater Peoria Sanitary District (Illinois)

Johnson County Wastewater (Olathe, Kansas)

KC Water (Kansas City, Missouri)

Little Rock Water Reclamation Authority (Arkansas)

Macon Water Authority (Georgia)

Madison Metropolitan Sewerage District (Wisconsin)

Metropolitan Water Reclamation District of Greater Chicago (Illinois)

Western Lake Superior Sanitary District (Duluth, Minnesota)