

**Testimony of
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Before the U.S. Senate Committee on Environment and Public Works Subcommittee on
Fisheries, Water, and Wildlife

**Implementation of the Drinking Water and Wastewater Infrastructure Act (DWWIA):
Stakeholders' needs and experiences**

Good morning, Chairwoman Duckworth, Ranking Member Lummis, and distinguished members of the Subcommittee on Fisheries, Water, and Wildlife. I appreciate the opportunity to address the Committee today.

My name is Josh Schimmel. I am the Executive Director of Springfield Water and Sewer Commission, in Springfield, Massachusetts. I also serve as a member of the executive board of the National Association of Clean Water Agencies – for whom I appear before you today.

For over 50 years, NACWA has represented public wastewater and stormwater agencies nationwide. Our national network of 330 public agency members serve the majority of the nation's sewered population and are on the frontlines of public health and environmental protection.

Every day, our country relies on the largely unseen workforce of utility professionals to manage our complex water infrastructure network and provide us seamless clean water service. Americans today seldom think about the infrastructure systems that bring water to homes, and safely return water to the environment – but everyone should.

The need for water and sanitation is as essential as it is timeless. At a recent Board meeting our utility leadership team was contemplating what projects needed to be cut in order keep rate increases affordable. Our elder statesman of the Board stopped the conversation and read the following excerpt:

“An abundant supply of good, wholesome water is the most important requisite of municipal life, and from it flow the most marked advantaged to the community.

“We are in the habit of taking the water supply as a matter of course, and so long as we have had no experience from failure of it, we assume that it will continue to flow on forever.”

He then informed us all that the quote came from the meeting minutes of our own Board meeting from 1892. With this anecdote the Board of Water Commissioners affirmed that we could not afford to delay investment any longer. They recognized that risk associated with not

renewing our infrastructure was actually too costly compared to the actual value provided by replacing it. While technological advances in engineering have modernized our systems in ways Commissioners in 1892 could never have imagined, the need to continually invest in our critical infrastructure remains unchanged.

In this country, water and sewer investment have been overwhelmingly borne by local customers for the past several decades. Local communities cover the vast majority of capital investment, operations and maintenance for clean and safe water. Not surprisingly, the costs of providing clean and safe water and rates have been growing for years, a significant hardship for many in our community.

The historic water infrastructure investments in DWWIA and the Bipartisan Infrastructure Law (BIL) offer much needed respite to local governments working to juggle capital funding needs and ongoing operations and maintenance while keeping customer rates manageable.

Clean water utilities are eager to leverage these federal investments as BIL implementation gets underway. We have been engaged with providing EPA recommendations as they work on program rollout to help ensure its success.

I want to flag a few areas in particular that we strongly supported in the legislation and that we are keeping an eye on as areas of opportunity or which may need further Congressional attention in the years ahead.

An important provision in BIL that has gained a lot of attention is how 49 percent of the dollars flowing out to the traditional SRF programs must be allocated by the states as additional subsidy –meaning that rather than low-interest loans, they are forgivable loans or straight up grants. Federal water investment since the 1980s has been overwhelmingly loans, so this is an important pivot. Any community would likely prefer a grant to a loan, but this provision will be particularly important for getting federal help to highly disadvantaged communities that might not have the capacity for loan financing, and to target areas facing acute needs or financial hardship.

Because the SRFs are run through the states, each of which has its own protocols for how it applies additional subsidy, EPA has outlined recommendations for how states should consider targeting the subsidy to reach disadvantaged areas and communities that may not have benefitted from SRFs in the past. Strengths of this guidance including encouraging states to look beyond singular metrics of disadvantage and consider various metrics like unemployment, how water and sewer rates compare to lowest quintile income, and ensuring funds reach urban areas of poverty as well as rural and small communities.

While EPA has laid out guidance, much will fall to the states to implement. Given the significant influx of funding, we strongly believe that states must be innovative in how they apply additional subsidy, not just do “business as usual”. We recommend that Congress continue to monitor how additional subsidy is applied and remain open to potentially providing further direction to the

programs as implementation advances. This will help ensure that BIL addresses pervasive issues of equity and access to infrastructure funding. DWWIA's set-aside of funding for increased technical assistance will also help ensure that these funds are applied equitably and broadly. Utilities like my own with significant experience in securing SRF funds have been discussing ways in which the process could be made easier for less resourced communities.

Another important provision in BIL is the specific allocation of federal funds for Emerging Contaminants, including PFAS. Emerging contaminants are a growing concern in Massachusetts and are driving substantial investment in many communities.

Clean water utilities are concerned about the looming costs and regulations they may face to manage or dispose of contaminants like PFAS – which water utilities passively receive and did not create or profit from. So the funding for utilities specifically to help address new contaminants like PFAS is very welcome.

Some of the most immediate costs clean water utilities are seeing to proactively try to understand and limit PFAS in their systems include monitoring, assessments, and pretreatment programs – working with industries to reduce concentrated PFAS discharges into our systems. However, these important steps are not necessarily eligible uses for these funds since the SRF is focused on capital investments.

We have been working to identify potential uses that align with the CWSRF and providing EPA recommendations. However, Congressional clarity may be needed in the near future to ensure these funds can be put to use effectively.

Lastly, as a community that is about to benefit from WIFIA, I want to applaud DWWIA's reauthorization of WIFIA and provisions to make the program more accessible to applicants. This past fall we were awarded a \$250M WIFIA loan for our Springfield Water and Wastewater Infrastructure Renewal Program. Our project will cost \$550 million and WIFIA will finance nearly half of that figure. The remaining project costs will be funded by a combination of \$200 million in loans from the Massachusetts CWSRF and utility funds. The combination of the WIFIA and SRF loans will accelerate capital investment and save the Springfield Water and Sewer Commission approximately \$80 million in financing costs, which enables the Commission to continue to support residents in need through its customer assistance programs. Project construction and operation are expected to create more than 1,700 jobs.

We are extremely proud of the way this package has come together to benefit the Springfield region. The funds we'll save through this more affordable financing option underscore how federal investment can stretch customer dollars further and help communities make investments and upgrades faster.

Water infrastructure challenges differ between communities, but the need for reliable and *accessible* infrastructure funding is universal.

DWWIA and BIL alone will not close the infrastructure investment gap entirely, but they take a critical step in the right direction toward helping all communities have access to financial and technical resources to provide clean, safe water. DWWIA set forth stepwise increases in core water program funding which we applaud the Committee for and urge their full appropriation moving forward so that this investment sets a new baseline for a strong federal partnership on water. As we knew in 1892 and remains true today, water is the backbone of healthy communities and economic opportunity.

In closing, utility executives like myself face environmental, financial, and technical challenges every day. I want to underscore that communities across the country cannot tackle these challenges and meet their infrastructure needs alone. Implementing this historic funding will take a huge lift at all levels of government, and with this five-year funding period we have the opportunity to make sure we get it right – and make adjustments along the way if needed. We support continued oversight to ensure these dollars are reaching the communities with the most need and are working as smoothly as possible to advance infrastructure investment in communities like mine around the U.S.

Thank you for your time and I look forward to any questions.